

REFERENCE TITLE: general appropriations act; 2023-2024.

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1720

Introduced by
Senators Kavanagh: Hoffman (with permission of Committee on Rules)

AN ACT

AMENDING LAWS 2022, CHAPTER 313, SECTION 49; AMENDING LAWS 2022, CHAPTER 313, SECTION 126; APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Laws 2022, chapter 313, section 49 is amended to read:

3 Sec. 49. ARIZONA DEPARTMENT OF HOUSING

	<u>2022-23</u>
4 FTE positions	3.0
5 Operating lump sum appropriation	\$ 322,700
6 Housing trust fund deposit	60,000,000
7 Homeless services grant pilot	<u>10,000,000</u>
8 Total appropriation – Arizona department	
9 of housing	\$ 70,322,700
10 Fund sources:	
11 State general fund	\$ 70,000,000
12 Housing trust fund	322,700

14 All monies from the housing trust fund deposit shall be distributed
15 in the form of grants, not loans, to projects in cities, towns and
16 counties in this state. Of the \$60,000,000 appropriated to the housing
17 trust fund, \$20,000,000 must be distributed to projects in counties other
18 than Maricopa and Pima counties and an additional \$4,000,000 must be
19 distributed to, **OR FOR PROJECTS ON**, the Navajo and Hopi tribal nations.

20 The Arizona department of housing shall use the monies appropriated
21 for the homeless services grant pilot to establish a grant program for
22 cities, towns and counties in this state for homeless services programs
23 designed to reduce homelessness. Eligible programs must allow homeless
24 individuals to be compensated for daily work, offer a daily remuneration
25 rate and help participants to access support services. Participating
26 cities, towns and counties must provide a dollar-for-dollar local match
27 for each grant dollar received. The department shall prioritize awarding
28 grants to cities, towns and counties that have an established program that
29 meets the grant requirements.

30 Sec. 2. Laws 2022, chapter 313, section 126 is amended to read:

31 Sec. 126. Appropriation: new school facilities fund: use:
32 fiscal year 2023-2024

33 ~~A.~~ The sum of ~~\$31,753,900~~ **\$26,365,000** is appropriated from the
34 state general fund in fiscal year 2023-2024 for a onetime deposit in the
35 new school facilities fund established by section 41-5741, Arizona Revised
36 Statutes. The division of school facilities within the department of
37 administration shall use the monies only for facilities that will be
38 constructed for school districts that received final approval from the
39 division of school facilities within the department of administration on
40 or before December 15, 2021.

41 Sec. 3. Subject to applicable laws, the sums or sources of revenue
42 set forth in this act are appropriated for the fiscal years indicated and
43 only from the funding sources listed for the purposes and objects
44 specified. If monies from funding sources in this act are unavailable, no
45 other funding source may be used.

1	Sec. 4. ARIZONA STATE BOARD OF ACCOUNTANCY	
2		<u>2023-24</u>
3	FTE positions	14.0
4	Lump sum appropriation	\$ 2,236,600
5	Fund sources:	
6	Board of accountancy fund	\$ 2,236,600
7	Sec. 5. ACUPUNCTURE BOARD OF EXAMINERS	
8		<u>2023-24</u>
9	FTE positions	1.0
10	Lump sum appropriation	\$ 194,300
11	Fund sources:	
12	Acupuncture board of examiners	
13	fund	\$ 194,300
14	Sec. 6. DEPARTMENT OF ADMINISTRATION	
15		<u>2023-24</u>
16	FTE positions	539.1
17	Operating lump sum appropriation	\$ 91,914,700
18	Utilities	7,649,900
19	Arizona financial information	
20	system	14,442,100
21	Risk management administrative	
22	expenses	10,870,700
23	Risk management losses and	
24	premiums	52,436,300
25	Workers' compensation losses	
26	and premiums	28,395,000
27	Cyber risk insurance	23,037,200
28	Information technology project	
29	management and oversight	1,667,300
30	State surplus property sales	
31	agency proceeds	1,810,000
32	Employee compensation study	4,000,000
33	Health care interoperability grants	3,000,000
34	Fire incident management	
35	fund deposit	12,200,000
36	K-12 transportation grants	15,000,000
37	Miami unified school district	
38	gym floors	350,000
39	Southwest defense contracts	25,000
40	Government transformation office	<u>2,063,000</u>
41	Total appropriation – department of	
42	administration	\$268,861,200

1	Fund sources:	
2	State general fund	\$ 43,900,900
3	Air quality fund	928,000
4	Arizona financial information	
5	system collections fund	14,442,100
6	Automation operations fund	29,901,000
7	Capital outlay stabilization fund	19,200,200
8	Corrections fund	634,600
9	Cyber risk insurance fund	23,037,200
10	Federal surplus materials revolving	
11	fund	468,500
12	Information technology fund	2,292,000
13	Personnel division fund	13,779,500
14	Risk management revolving fund	99,955,800
15	Special employee health insurance	
16	trust fund	5,719,900
17	Special services revolving fund	1,257,300
18	State surplus materials revolving	
19	fund	3,064,600
20	State web portal fund	8,465,600
21	Telecommunications fund	1,814,000

22 The amount appropriated for southwest defense contracts shall be
 23 distributed to a nonprofit organization that advocates for preserving and
 24 enhancing critical defense missions and assets in the southwestern United
 25 States.

26 The appropriation from the automation operations fund established by
 27 section 41-711, Arizona Revised Statutes, is an estimate representing all
 28 monies, including balance forward, revenues and transfers during fiscal
 29 year 2023-2024. These monies are appropriated to the department of
 30 administration for the purposes established in section 41-711, Arizona
 31 Revised Statutes. The appropriation is adjusted as necessary to reflect
 32 monies credited to the automation operations fund for automation operation
 33 center projects. Before spending any automation operations fund monies in
 34 excess of \$29,901,000 in fiscal year 2023-2024, the department shall
 35 report the intended use of the monies to the joint legislative budget
 36 committee.

37 On or before September 1, 2024, the department shall submit a report
 38 to the joint legislative budget committee on the results of pilot projects
 39 implemented in fiscal year 2023-2024 for the state employee public
 40 transportation service reimbursements pursuant to section 41-710.01,
 41 Arizona Revised Statutes, in a vehicle emissions control area as defined
 42 in section 49-541, Arizona Revised Statutes, of a county with a population
 43 of more than four hundred thousand persons.

1 All state surplus materials revolving fund monies received by the
 2 department of administration in excess of \$3,064,600 in fiscal year
 3 2023-2024 are appropriated to the department. Before spending state
 4 surplus materials revolving fund monies in excess of \$3,064,600 in fiscal
 5 year 2023-2024, the department shall report the intended use of the monies
 6 to the joint legislative budget committee.

7 Of the amount appropriated for the Arizona financial information
 8 system line item in fiscal year 2023-2024, \$4,000,000 is exempt from the
 9 provisions of section 35-190, Arizona Revised Statutes, relating to
 10 lapsing of appropriations, until June 30, 2025.

11 On or before November 1, 2024, the department shall submit a report
 12 to the director of the joint legislative budget committee on expenditures
 13 made from the cyber risk insurance fund established by section 41-622,
 14 Arizona Revised Statutes, from the prior year.

15 On or before October 1, 2024, the department shall submit a report
 16 to the president of the senate, the speaker of the house of
 17 representatives, the chairpersons of the senate and house of
 18 representatives appropriations committees and the director of the joint
 19 legislative budget committee on the outcome of the employee compensation
 20 study.

21 The amount appropriated for the K-12 transportation grants line item
 22 in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 5 is
 23 exempt from the provisions of section 35-190, Arizona Revised Statutes,
 24 relating to the lapsing of appropriations, until June 30, 2024.

25 Sec. 7. DEPARTMENT OF ADMINISTRATION, DIVISION OF SCHOOL FACILITIES

26		<u>2023-24</u>
27	FTE positions	17.0
28	Operating lump sum appropriation	\$ 1,647,100
29	School facilities inspections	1,000,000*
30	New school facilities debt service	9,938,100
31	Building renewal grants deposit	199,967,900
32	Santa Cruz Valley new school	2,000,000
33	New school facilities	<u>116,089,400</u>
34	Total appropriation – department of	
35	administration, division	
36	of school facilities	\$330,642,500

37 Fund sources:

38 State general fund \$330,642,500

39 Pursuant to section 35-142.01, Arizona Revised Statutes, any
 40 reimbursement received by or allocated to the division of school
 41 facilities under the federal qualified school construction bond program in
 42 fiscal year 2023-2024 shall be deposited in or revert to the state general
 43 fund.

At least thirty days before any monies are transferred out of the new school facilities debt service line item, the division of school facilities shall report the proposed transfer to the director of the joint legislative budget committee.

Pursuant to section 41-5741, Arizona Revised Statutes, the amount appropriated for new school facilities shall be used only for facilities and land costs for school districts that received final approval from the division of school facilities on or before December 15, 2022.

The division of school facilities may also use the unencumbered balance of up to \$22,811,800 in the new school facilities fund established by section 41-5741, Arizona Revised Statutes, for facilities and land costs for school districts that received final approval from the division of school facilities on or before December 15, 2022, pursuant to section 41-5741, Arizona Revised Statutes.

After approving a distribution of funding for a land purchase, a land lease or the construction of a new school, the division of school facilities shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting the final amount of the distribution.

Sec. 8. OFFICE OF ADMINISTRATIVE HEARINGS

	<u>2023-24</u>
FTE positions	12.0
Operating lump sum appropriation	\$ 998,900
Increased workload	<u>180,000</u>
Total appropriation – office of administrative hearings	\$ 1,178,900
Fund sources:	
State general fund	\$ 1,178,900

The amount appropriated in the increased workload line item reverts to the state general fund if a bill addressing provider claims against insurers does not become law in the first regular session of the fifty-sixth legislature.

Sec. 9. ARIZONA DEPARTMENT OF AGRICULTURE

	<u>2023-24</u>
FTE positions	209.9
Operating lump sum appropriation	\$ 17,504,200
Agricultural employment relations board	23,300
Animal damage control	65,000
Red imported fire ant control	23,200
Agricultural consulting and training	<u>136,300</u>
Total appropriation – Arizona department of agriculture	\$ 17,752,000

1	Fund sources:	
2	State general fund	\$ 16,154,200
3	Air quality fund	1,597,800
4	Sec. 10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
5		<u>2023-24</u>
6	FTE positions	2,358.3
7	Operating lump sum appropriation	\$ 137,506,600
8	Administration	
9	AHCCCS data storage	19,325,800
10	DES eligibility	97,074,500
11	Proposition 204 – AHCCCS	
12	administration	15,367,300
13	Proposition 204 – DES eligibility	44,358,700
14	<u>Medicaid services</u>	
15	Traditional medicaid services	7,977,675,900
16	Proposition 204 services	7,038,319,000
17	Adult expansion services	926,824,300
18	Comprehensive medical and	
19	dental program	203,903,500
20	KidsCare services	186,394,000
21	ALTCS services	2,680,175,800
22	Behavioral health services	
23	in schools	9,120,600
24	<u>Nonmedicaid behavioral health services</u>	
25	Crisis services	16,391,300
26	Nonmedicaid seriously mentally	
27	ill services	77,646,900
28	Supported housing	65,324,800
29	<u>Hospital payments</u>	
30	Disproportionate share payments	5,087,100
31	Disproportionate share payments –	
32	voluntary match	69,735,200
33	Rural hospitals	41,074,400
34	Graduate medical education	426,531,500
35	Targeted investments program	26,000,000
36	On-call obstetrics and	
37	gynecological services	<u>7,500,000*</u>
38	Total appropriation and expenditure	
39	authority – Arizona health	
40	care cost containment system	\$20,071,337,200
41	Fund sources:	
42	State general fund	\$ 2,515,415,000
43	Budget neutrality compliance fund	4,669,300

1	Children's health insurance	
2	program fund	150,835,600
3	Prescription drug rebate	
4	fund – state	165,160,800
5	Seriously mentally ill	
6	housing trust fund	217,300
7	Substance abuse services fund	2,250,200
8	Tobacco products tax fund –	
9	emergency health services	
10	account	17,458,500
11	Tobacco tax and health care	
12	fund – medically needy account	67,258,900
13	Expenditure authority	17,148,071,600

14 Operating budget

15 The amount appropriated for the DES eligibility line item shall be
 16 used for intergovernmental agreements with the department of economic
 17 security for eligibility determination and other functions. The state
 18 general fund share may be used for eligibility determination for other
 19 programs administered by the division of benefits and medical eligibility
 20 based on the results of the Arizona random moment sampling survey.

21 The amounts included in the proposition 204 – AHCCCS administration,
 22 proposition 204 – DES eligibility and proposition 204 services line items
 23 include all available sources of funding consistent with section
 24 36-2901.01, subsection B, Arizona Revised Statutes.

25 Of the amount appropriated in the operating lump sum, \$700,000 from
 26 the state general fund and \$6,300,000 from expenditure authority is for
 27 replacement of the prepaid medicaid management information system and is
 28 exempt from the provisions of section 35-190, Arizona Revised Statutes,
 29 relating to lapsing of appropriations, until June 30, 2025.

30 Before spending the monies for the replacement of the prepaid
 31 medicaid management information system, the Arizona strategic enterprise
 32 technology office shall submit, on behalf of the Arizona health care cost
 33 containment system, an expenditure plan for review by the joint
 34 legislative budget committee. The report shall include the project cost,
 35 deliverables, the timeline for completion and the method of procurement
 36 that are consistent with the department's prior reports for its
 37 appropriations from the automation projects fund.

38 Medical services and behavioral health services

39 Before making fee-for-service program or rate changes that pertain
 40 to fee-for-service rate categories, the Arizona health care cost
 41 containment system administration shall report its expenditure plan for
 42 review by the joint legislative budget committee.

1 The Arizona health care cost containment system administration shall
2 report to the joint legislative budget committee on or before March 1,
3 2024 on preliminary actuarial estimates of the capitation rate changes for
4 the following fiscal year along with the reasons for the estimated
5 changes. For any actuarial estimates that include a range, the total
6 range from minimum to maximum may not be more than two percent. Before
7 implementing any changes in capitation rates, the administration shall
8 report its expenditure plan for review by the joint legislative budget
9 committee. Before the administration implements any change in policy
10 affecting the amount, sufficiency, duration and scope of health care
11 services and who may provide services, the administration shall prepare a
12 fiscal impact analysis on the potential effects of this change on the
13 following year's capitation rates. If the fiscal impact analysis
14 demonstrates that this change will result in additional state costs of
15 \$1,000,000 or more for any fiscal year, the administration shall submit
16 the policy change for review by the joint legislative budget committee.

17 The legislature intends that the percentage attributable to
18 administration and profit for the regional behavioral health authorities
19 be nine percent of the overall capitation rate.

20 The Arizona health care cost containment system administration shall
21 transfer up to \$1,200,000 from the traditional medicaid services line item
22 for fiscal year 2023-2024 to the attorney general for costs associated
23 with e-cigarette enforcement and tobacco settlement litigation.

24 The Arizona health care cost containment system administration shall
25 transfer \$836,000 from the traditional medicaid services line item for
26 fiscal year 2023-2024 to the department of revenue for enforcement costs
27 associated with the March 13, 2013 master settlement agreement with
28 tobacco companies.

29 The amount appropriated for the ALTCS services line item includes
30 \$347,740,500 from expenditure authority to implement the American rescue
31 plan act of 2021 (P.L. 117-2) home and community-based services spending
32 plan in fiscal year 2023-2024. The administration may not use these
33 monies for marketing purposes, and any direct payments or grants provided
34 with the monies shall include a notification to the recipient that the
35 monies are onetime funding. Beginning on or before July 31, 2023, the
36 administration shall provide quarterly reports to the joint legislative
37 budget committee at the same time that the information is provided to the
38 centers for medicare and medicaid services, reflecting any changes to the
39 administration's spending plan. Of the amount appropriated for the ALTCS
40 services line item in fiscal year 2023-2024, \$347,740,500 is exempt from
41 the provisions of section 35-190, Arizona Revised Statutes, relating to
42 lapsing of appropriations.

1 On or before June 30, 2024, the Arizona health care cost containment
2 system administration shall report to the joint legislative budget
3 committee on the progress in implementing the Arnold v. Sarn lawsuit
4 settlement. The report shall include, at a minimum, the administration's
5 progress toward meeting all criteria specified in the 2014 joint
6 stipulation, including the development and estimated cost of additional
7 behavioral health service capacity in Maricopa county for supported
8 housing services for 1,200 class members, supported employment services
9 for 750 class members, eight assertive community treatment teams and
10 consumer operated services for 1,500 class members. The administration
11 shall also report by fund source the amounts it plans to use to pay for
12 expanded services.

13 Long-term care

14 Any federal monies that the Arizona health care cost containment
15 system administration passes through to the department of economic
16 security for use in long-term care for persons with developmental
17 disabilities do not count against the long-term care expenditure
18 authority.

19 Pursuant to section 11-292, subsection B, Arizona Revised Statutes,
20 the county portion of the fiscal year 2023-2024 nonfederal costs of
21 providing long-term care system services is \$366,205,400. This amount is
22 included in the expenditure authority fund source.

23 Any supplemental payments received in excess of \$101,756,900 for
24 nursing facilities that serve Arizona long-term care system medicaid
25 patients in fiscal year 2023-2024, including any federal matching monies,
26 by the Arizona health care cost containment system administration are
27 appropriated to the administration in fiscal year 2023-2024. Before
28 spending these increased monies, the administration shall notify the joint
29 legislative budget committee and the governor's office of strategic
30 planning and budgeting of the amount of monies that will be spent under
31 this provision. These payments are included in the expenditure authority
32 fund source.

33 Payments to hospitals

34 The \$5,087,100 appropriation for disproportionate share payments for
35 fiscal year 2023-2024 made pursuant to section 36-2903.01, subsection 0,
36 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county
37 health care district and \$884,800 for private qualifying disproportionate
38 share hospitals.

39 Any monies received for disproportionate share hospital payments
40 from political subdivisions of this state, tribal governments and any
41 university under the jurisdiction of the Arizona board of regents, and any
42 federal monies used to match those payments, in fiscal year 2023-2024 by
43 the Arizona health care cost containment system administration in excess
44 of \$69,735,200 are appropriated to the administration in fiscal year
45 2023-2024. Before spending these increased monies, the administration

1 shall notify the joint legislative budget committee and the governor's
2 office of strategic planning and budgeting of the amount of monies that
3 will be spent under this provision.

4 The expenditure authority fund source includes voluntary payments
5 made from political subdivisions for payments to hospitals that operate a
6 graduate medical education program or treat low-income patients and for
7 payments to qualifying providers affiliated with teaching hospitals. The
8 political subdivision portions of the fiscal year 2023-2024 costs of
9 graduate medical education, disproportionate share payments – voluntary
10 match, traditional medicaid services, proposition 204 services and adult
11 expansion services line items are included in the expenditure authority
12 fund source.

13 Any monies for graduate medical education received in fiscal year
14 2023-2024, including any federal matching monies, by the Arizona health
15 care cost containment system administration in excess of \$426,531,500 are
16 appropriated to the administration in fiscal year 2023-2024. Before
17 spending these increased monies, the administration shall notify the joint
18 legislative budget committee and the governor's office of strategic
19 planning and budgeting of the amount of monies that will be spent under
20 this provision.

21 Notwithstanding section 36-2903.01, subsection G, paragraph 9,
22 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for
23 graduate medical education includes \$5,000,000 from the state general fund
24 and \$15,721,100 from expenditure authority for the direct and indirect
25 costs of graduate medical education programs located in counties with a
26 population of less than five hundred thousand persons. The state general
27 fund amount may supplement, but not supplant, voluntary payments made from
28 political subdivisions for payments to hospitals that operate a graduate
29 medical education program. The administration shall prioritize
30 distribution to programs at hospitals in counties with a higher percentage
31 of persons residing in a health professional shortage area as defined in
32 42 Code of Federal Regulations part 5.

33 Notwithstanding section 36-2903.01, subsection G, paragraph 9,
34 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for
35 graduate medical education includes \$4,000,000 from the state general fund
36 and \$12,576,900 from expenditure authority for the direct and indirect
37 costs of graduate medical education programs located in counties with a
38 population of more than five hundred thousand persons. The state general
39 fund amount may supplement, but not supplant, voluntary payments made from
40 political subdivisions for payments to hospitals that operate a graduate
41 medical education program.

42 Monies appropriated for graduate medical education in this section
43 are exempt from the provisions of section 35-190, Arizona Revised
44 Statutes, relating to lapsing of appropriations, until June 30, 2024.

The Arizona health care cost containment system administration shall allocate the amount appropriated for the on-call obstetrics and gynecological services line item to maintain service availability in low-volume obstetric delivery areas and rural communities with populations of less than three hundred fifty thousand persons. The administration shall distribute up to \$2,500,000 each year to qualifying community health centers and rural hospitals for the unreimbursed cost necessary to maintain the availability of on-call obstetrics and gynecological services in low-volume obstetric delivery areas and rural communities. On or before July 1 in 2024, 2025 and 2026, the Arizona health care cost containment system administration shall submit a report to the joint legislative budget committee regarding the use of the monies from the on-call obstetrics and gynecological services line item, including the number of deliveries and emergency procedures provided by the on-call health care providers for which the monies were spent. The appropriated amount for the on-call obstetrics and gynecological services line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2026.

Other

On or before July 1, 2024, the Arizona health care cost containment system administration shall report to the director of the joint legislative budget committee the total amount of medicaid reconciliation payments and penalties received on or before that date since July 1, 2023.

The nonappropriated portion of the prescription drug rebate fund established by section 36-2930, Arizona Revised Statutes, is included in the federal portion of the expenditure authority fund source.

Sec. 11. ARIZONA COMMISSION ON THE ARTS

		<u>2023-24</u>
	Arizona arts trust fund deposit	\$ 5,000,000
	Fund sources:	
	State general fund	\$ 5,000,000

Sec. 12. BOARD OF ATHLETIC TRAINING

		<u>2023-24</u>
	FTE positions	1.5
	Lump sum appropriation	\$ 150,000
	Fund sources:	
	Athletic training fund	\$ 150,000

Sec. 13. ATTORNEY GENERAL – DEPARTMENT OF LAW

		<u>2023-24</u>
	FTE positions	658.7
	Operating lump sum appropriation	\$ 68,308,600
	Capital postconviction prosecution	881,400
	Child and family advocacy centers	600,000

1	Criminal division major fraud unit	1,194,000
2	Internet crimes against children	
3	enforcement	1,271,500
4	Government accountability and	
5	special litigation	1,334,200
6	Organized retail theft	
7	task force	1,570,700
8	Opioid abatement	12,000,000
9	Risk management interagency	
10	service agreement	10,703,900
11	State grand jury	194,100
12	Southern Arizona law enforcement	1,678,900
13	Tobacco enforcement	877,600
14	Victims' rights	<u>4,023,400</u>
15	Total appropriation – attorney general –	
16	department of law	\$104,638,300
17	Fund sources:	
18	State general fund	\$ 27,437,900
19	Antitrust enforcement revolving	
20	fund	161,400
21	Attorney general legal services	
22	cost allocation fund	2,326,200
23	Collection enforcement revolving	
24	fund	7,599,300
25	Consumer protection-consumer	
26	fraud revolving fund	19,003,900
27	Consumer restitution and	
28	remediation revolving fund -	
29	consumer remediation subaccount	12,000,000
30	Interagency service agreements fund	18,199,300
31	Internet crimes against children	
32	enforcement fund	900,000
33	Risk management revolving fund	13,197,600
34	Victims' rights fund	3,812,700

35 All monies appropriated to the attorney general legal services line
 36 item in the department of child safety budget do not count toward the
 37 attorney general's interagency service agreements fund appropriation in
 38 fiscal year 2023-2024.

39 Within ten days after receiving a complaint alleging a violation of
 40 section 15-511, Arizona Revised Statutes, the attorney general shall
 41 forward a copy of the complaint to the governor, the president of the
 42 senate and the speaker of the house of representatives.

The appropriated amount for the operating lump sum includes a onetime increase of \$3,000,000 from the consumer protection-consumer fraud revolving fund established by section 44-1531.01, Arizona Revised Statutes, in fiscal year 2023-2024 for operating expenses. This increase is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

The amount appropriated for the child and family advocacy centers line item is allocated to the child and family advocacy center fund established by section 41-191.11, Arizona Revised Statutes.

Of the amount appropriated for the child and family advocacy centers line item in fiscal year 2023-2024, \$500,000 shall be used to support an entity that provides child victim advocacy and mental health services through a child advocacy center that is based in a county with a population of more than three million persons.

The \$900,000 appropriation from the internet crimes against children enforcement fund established by section 41-199, Arizona Revised Statutes, and the \$371,500 appropriation from the state general fund for the internet crimes against children enforcement line item are continuing appropriations and are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

The attorney general shall submit an expenditure plan for review by the joint legislative budget committee before spending any monies appropriated for the opioid abatement line item. Monies in the opioid abatement line item shall be used to treat opioid use disorders, to support persons who are in opioid treatment and recovery or for any other specified purposes that are included in a court order or a settlement or compromise that is entered into by this state and other parties to the opioid litigation.

The \$1,570,700 appropriation for the organized retail theft task force line item shall be used for operational expenses of the organized retail task force and for hiring one attorney, one paralegal, two investigators and one support staff person within the office of the attorney general and four peace officers who are assigned to the task force to focus specifically on investigating and prosecuting organized retail crime.

Sec. 14. BARBERING AND COSMETOLOGY BOARD

	<u>2023-24</u>
FTE positions	29.5
Lump sum appropriation	\$ 2,715,500
Fund sources:	
Barbering and cosmetology fund	\$ 2,715,500

1	Sec. 15. BOARD OF BEHAVIORAL HEALTH EXAMINERS	
2		<u>2023-24</u>
3	FTE positions	20.0
4	Lump sum appropriation	\$ 2,123,000
5	Fund sources:	
6	Board of behavioral health	
7	examiners fund	\$ 2,123,000
8	Sec. 16. STATE BOARD FOR CHARTER SCHOOLS	
9		<u>2023-24</u>
10	FTE positions	25.0
11	Lump sum appropriation	\$ 2,939,200
12	Fund sources:	
13	State general fund	\$ 2,939,200
14	Sec. 17. DEPARTMENT OF CHILD SAFETY	
15		<u>2023-24</u>
16	FTE positions	3,283.1
17	Operating lump sum appropriation	\$147,938,100
18	<u>Additional operating resources</u>	
19	Attorney general legal services	25,522,800
20	Caseworkers	124,293,500
21	Office of child welfare	
22	investigations	11,245,700
23	Training resources	9,150,000
24	<u>Out-of-home placements</u>	
25	Congregate group care	114,918,700
26	Extended foster care	26,553,900
27	Extended foster care service model	
28	fund deposit	19,243,300*
29	Foster home placement	51,929,500
30	Foster home recruitment,	
31	study and supervision	32,753,600
32	Kinship care	24,811,200
33	<u>Permanent placements</u>	
34	Adoption services	294,923,500
35	Permanent guardianship subsidy	12,516,900
36	Positive parenting program for post	
37	permanency placements pilot	4,000,000*
38	<u>Support services</u>	
39	DCS child care subsidy	61,675,400
40	In-home mitigation	28,988,100
41	Out-of-home support services	122,710,800
42	Preventive services	29,648,300

1	<u>Comprehensive health plan</u>	
2	Comprehensive health plan	
3	services	161,546,700
4	Comprehensive health plan	
5	administration	27,461,200
6	Comprehensive health plan	
7	premium tax	<u>3,857,300</u>
8	Total appropriation and expenditure	
9	authority – department of	
10	child safety	\$1,335,688,500
11	Fund sources:	
12	State general fund	\$ 496,179,600
13	Federal child care and	
14	development fund block grant	40,516,000
15	Federal temporary assistance	
16	for needy families block	
17	grant	161,082,200
18	Child abuse prevention fund	1,459,300
19	Children and family services	
20	training program fund	208,000
21	Child safety expenditure authority	442,357,400
22	Child welfare licensing fee fund	1,020,800
23	Comprehensive health plan	
24	expenditure authority fund –	
25	expenditure authority	192,865,200

26 Additional operating resources

27 The department of child safety shall provide training to any new
 28 child safety FTE positions before assigning any client caseload duties to
 29 any of these employees.

30 The legislature intends that the department of child safety use its
 31 funding to achieve a one hundred percent investigation rate.

32 All expenditures made by the department of child safety for attorney
 33 general legal services shall be funded only from the attorney general
 34 legal services line item. Monies in department of child safety line items
 35 intended for this purpose shall be transferred to the attorney general
 36 legal services line item before expenditure.

37 Out-of-home placements

38 The department of child safety may transfer up to ten percent of the
 39 total amount of federal temporary assistance for needy families block
 40 grant monies appropriated to the department of economic security and the
 41 department of child safety to the social services block grant. Before
 42 transferring federal temporary assistance for needy families block grant
 43 monies to the social services block grant, the department of child safety
 44 shall report the proposed amount of the transfer to the director of the
 45 joint legislative budget committee. This report may be in the form of an

expenditure plan that is submitted at the beginning of the fiscal year and updated, if necessary, throughout the fiscal year.

The amount appropriated for kinship care shall be used for a stipend of \$300 per month for a relative caretaker, including a grandparent, any level of great-grandparent or any nongrandparent relative, or a caretaker of fictive kinship, if a dependent child is placed in the care of a relative caretaker or caretaker of fictive kinship pursuant to department guidelines. The department shall provide the stipend on behalf of all children placed with an unlicensed kinship foster care parent. The unlicensed kinship foster care parent is not required to file an application to receive the stipend. Before changing the eligibility for the program or the amount of the stipend, the department shall submit a report for review by the joint legislative budget committee detailing the proposed changes.

On or before March 31, 2024, the department of child safety shall report to the joint legislative budget committee the number of children who are part of the kinship stipend program and reside with a nonrelative caretaker of fictive kinship.

Departmentwide

The amount appropriated for any line item may not be transferred to another line item or to the operating budget unless the transfer is reviewed by the joint legislative budget committee, except that transfers between any two line items relating to the comprehensive health plan are not subject to review.

Child safety expenditure authority includes all department funding sources excluding the state general fund, the federal child care and development fund block grant, the federal temporary assistance for needy families block grant, the child abuse prevention fund, the children and family services training program fund and the comprehensive health plan expenditure authority fund.

On or before December 1, 2023, the department of child safety shall submit a report to the joint legislative budget committee on the department's efforts to implement the family first prevention services act of 2018. The report shall quantify the department's efforts in at least the following areas, including any associated fiscal impacts:

1. Reducing the number of children placed for more than two weeks in congregate care settings, excluding qualified residential treatment programs, facilities for pregnant and parenting youth, supervised independent living and specialized programs for victims of sex trafficking.

2. Assisting congregate care providers in attaining status as qualified residential treatment programs.

3. Identifying alternative placements, including therapeutic foster homes, for children who would otherwise be placed in congregate care.

1 4. Expanding evidence-based, in-home parent skill-based programs
2 and mental health and substance abuse prevention and treatment services.

3 Benchmarks

4 For the purposes of this section, "backlog case":

5 1. Means any nonactive case for which documentation has not been
6 entered in the child welfare automated system for at least sixty days and
7 for which services have not been authorized for at least sixty days and
8 any case that has had an investigation, has been referred to another unit
9 and has had no contact for at least sixty days.

10 2. Includes any case for which the investigation has been open
11 without any documentation or contact for at least sixty days, any case
12 involving in-home services for which there has been no contact or services
13 authorized for at least sixty days and any case involving foster care in
14 which there has been no contact or any documentation entered in the child
15 welfare automated system for at least sixty days.

16 For the purposes of this section:

17 1. "Long-term case" means any case in which the child has been in
18 an out-of-home placement for at least eighteen months.

19 2. "Open report" means a report that is under investigation or
20 awaiting closure by a supervisor.

21 On or before February 28, 2024 and August 31, 2024, the department
22 of child safety shall present a report to the joint legislative budget
23 committee on the progress made during July 2023 through December 2023 and
24 January 2024 through June 2024, respectively, in meeting the caseload
25 standard and reducing the number of backlog and long-term cases. Each
26 report shall include the number of backlog cases, the number of open
27 reports, the number of long-term cases and the caseworker workload in
28 comparison to the previous six months. Each report shall provide the
29 number of backlog cases by disposition, including the number of backlog
30 cases in the investigation phase, the number of backlog cases associated
31 with out-of-home placements and the number of backlog cases associated
32 with in-home cases.

33 To determine the caseworker workload, the department shall report
34 the number of case-carrying caseworkers at each field office and the
35 number of investigations, in-home cases and long-term cases assigned to
36 each field office.

37 For backlog cases, the department's benchmark is 1,000 cases.

38 For open reports, the department's benchmark is fewer than 8,000
39 open reports.

40 For long-term cases, the department's benchmark is 3,323 cases.

41 If the department of child safety has not submitted a required
42 report within thirty days after the report is due, the director of the
43 joint legislative budget committee shall inform the general accounting
44 office of the department of administration, which shall withhold two
45 percent of the department of child safety's operating lump sum semiannual

1 budget allocation until the department of child safety submits the
2 required report.

3 Sec. 18. STATE BOARD OF CHIROPRACTIC EXAMINERS

4		<u>2023-24</u>
5	FTE positions	5.0
6	Lump sum appropriation	\$ 537,200
7	Fund sources:	
8	Board of chiropractic examiners	
9	fund	\$ 537,200

10 Sec. 19. ARIZONA COMMERCE AUTHORITY

11		<u>2023-24</u>
12	Operating lump sum appropriation	\$ 13,500,000
13	Arizona competes fund deposit	500,000
14	Asia trade offices	750,000
15	Asia-Pacific trade office	750,000*
16	Canada trade office	750,000*
17	Economic development marketing	
18	and attraction	1,000,000
19	Economic transition resources	9,000,000
20	Frankfurt, Germany trade office	500,000
21	Israel trade office	300,000
22	Mexico trade offices	500,000
23	Rural broadband accelerated match	
24	fund deposit	25,000,000
25	Trade office funding	2,000,000
26	Water infrastructure and commerce	
27	grant fund deposit	7,000,000
28	Wearable technology research	<u>2,500,000</u>
29	Total appropriation – Arizona commerce	
30	authority	\$ 64,050,000
31	Fund sources:	
32	State general fund	\$ 64,050,000

33 Pursuant to section 43-409, Arizona Revised Statutes, of the amounts
34 listed above, \$10,500,000 of the state general fund withholding tax
35 revenues is allocated in fiscal year 2023-2024 to the Arizona commerce
36 authority, of which \$10,000,000 is credited to the Arizona commerce
37 authority fund established by section 41-1506, Arizona Revised Statutes,
38 and \$500,000 is credited to the Arizona competes fund established by
39 section 41-1545.01, Arizona Revised Statutes.

40 Of the amount appropriated in the operating lump sum, \$3,500,000 is
41 exempt from the provisions of section 35-190, Arizona Revised Statutes,
42 relating to lapsing of appropriations, and is allocated as follows:

1 1. \$1,000,000 to distribute to a federally recognized state rural
2 development council in the national rural development partnership in this
3 state to partner with businesses, community leaders, service
4 organizations, economic development organizations and rural municipalities
5 to work directly in rural communities across this state.

6 2. \$500,000 to establish and administer a small business incubator
7 program to assist current and former inmates who are participating in a
8 state program in which the state department of corrections and the
9 department of economic security collaborate and bring comprehensive
10 services to inmates who are nearing release. On or before September 1,
11 2024, the authority shall submit a report to the directors of the joint
12 legislative budget committee and the governor's office of strategic
13 planning and budgeting on the program implementation, the number of
14 participants, the industry of employment or entrepreneurship and program
15 results, including the recidivism rates of program participants.

16 3. \$500,000 to distribute to a nonpartisan public foundation in
17 this state that is qualified under section 501(c)(3) of the internal
18 revenue code and that is associated with a statewide business trade
19 organization that is qualified under section 501(c)(6) of the internal
20 revenue code and that represents multiple industries to develop a
21 strategic framework for policymakers to continue job growth, economic
22 diversification and private sector investments that will make this state a
23 top state economy and international trading partner by 2030.

24 4. \$500,000 to distribute to a membership organization in this
25 state that is qualified under section 501(c)(6) of the internal revenue
26 code and that serves as a resource hub for all small businesses in this
27 state to establish a program to recruit and retain truck drivers.

28 5. \$1,000,000 to the Arizona state trade expansion program.

29 Monies in the economic transition resources line item shall be
30 distributed to a nonprofit organization for capital projects, economic
31 sustainability developments, renewable energy projects and broadband
32 projects located within twenty miles of a coal mine that closed within the
33 past five years.

34 The authority shall use the monies in the rural broadband
35 accelerated match fund deposit line item to provide funding for projects
36 that will receive matching monies from federal programs related to
37 broadband expansion.

38 On or before December 1, 2023, the authority shall report to the
39 president of the senate, the speaker of the house of representatives and
40 the director of the joint legislative budget committee detailing the
41 authority's implementation plan for the monies in the trade office funding
42 line item, including proposed trade office locations.

The authority shall distribute the monies in the wearable technology research line item to applied research centers located in this state that specialize in wearable technology, including hardware or software components, or both. Subject to available funding, the authority shall distribute monies appropriated in the wearable technology research line item to any applied research center in increments of up to \$250,000 within thirty days after the applied research center notifies the authority in writing that the applied research center has received a matching amount from sources other than this state.

An applied research center that receives a distribution pursuant to this section must collaborate with universities, nonprofit business associations, health science research centers, institutes or other technology businesses that do business in this state. On or before September 15, 2027, the applied research center or institute shall return to the authority all monies received by the applied research center or institute pursuant to this section that remain unexpended and unencumbered on September 1, 2027. The authority shall deposit the returned monies in the state general fund. The authority shall notify the president of the senate and the speaker of the house of representatives on or before July 1, 2024 and July 1, 2025 if the authority has not distributed any monies pursuant to this section.

An applied research center or institute that receives monies pursuant to this section shall annually submit an expenditure and performance report to the authority. On or before February 1 of each year, the authority shall transmit the report to the joint legislative budget committee and the governor's office of strategic planning and budgeting.

For the purposes of this distributing the monies in the wearable technology research line item pursuant to this section, the authority is exempt from the requirements of title 41, chapter 23, Arizona Revised Statutes.

The appropriation made in the wearable technology research line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that any monies that remain unexpended and unencumbered on June 30, 2027 revert to the state general fund.

Sec. 20. ARIZONA COMMUNITY COLLEGES

	<u>2023-24</u>
<u>Equalization aid</u>	
Cochise	\$ 9,759,600
Graham	19,912,000
Navajo	11,189,600
Yuma/La Paz	<u>716,100</u>
Total — equalization aid	\$ 41,577,300

1	<u>Operating state aid</u>	
2	Cochise	\$ 4,423,700
3	Coconino	1,415,900
4	Gila	151,400
5	Graham	1,661,900
6	Mohave	924,400
7	Navajo	1,346,100
8	Pinal	1,090,900
9	Yavapai	373,000
10	Yuma/La Paz	<u>2,260,700</u>
11	Total – operating state aid	\$ 13,648,000
12	<u>STEM and workforce programs state aid</u>	
13	Cochise	\$ 954,700
14	Coconino	309,500
15	Gila	88,700
16	Graham	409,700
17	Maricopa	7,927,600
18	Mohave	378,600
19	Navajo	262,500
20	Pima	1,769,000
21	Pinal	656,700
22	Santa Cruz	21,200
23	Yavapai	637,200
24	Yuma/La Paz	<u>777,700</u>
25	Total – STEM and workforce programs	
26	state aid	\$ 14,193,100
27	<u>Rural aid</u>	
28	Cochise	\$ 5,769,700
29	Coconino	1,520,600
30	Gila	439,500
31	Graham	1,917,800
32	Mohave	1,866,800
33	Navajo	1,322,400
34	Pinal	3,110,400
35	Santa Cruz	97,000
36	Yavapai	3,084,400
37	Yuma/La Paz	<u>4,871,400</u>
38	Total – rural aid	\$ 24,000,000
39	Rural county reimbursement subsidy	\$ 1,082,900
40	Arizona western college	
41	nursing program	7,500,000
42	Additional Gila workforce	
43	development aid	200,000

1	Diné college remedial education	1,000,000
2	Tohono O'odham community college	
3	remedial education	2,000,000
4	San Carlos Apache college	
5	remedial education	2,000,000
6	Santa Cruz provisional community	
7	college funding	<u>200,000</u>
8	Total appropriation – Arizona community	
9	colleges	\$107,401,300
10	Fund sources:	
11	State general fund	\$107,401,300
12	Of the \$1,082,900 appropriated to the rural county reimbursement	
13	subsidy line item, Apache county receives \$699,300 and Greenlee county	
14	receives \$383,600.	
15	On or before October 15, 2024, the Diné college board of regents	
16	shall submit to the governor, the speaker of the house of representatives,	
17	the president of the senate, the secretary of state and the joint	
18	legislative budget committee a report that details the course completion	
19	rate for students who received remedial education during the 2023-2024	
20	academic year.	
21	On or before October 15, 2024, the Tohono O'odham community college	
22	board of trustees shall submit to the governor, the speaker of the house	
23	of representatives, the president of the senate, the secretary of state	
24	and the joint legislative budget committee a report that details the	
25	course completion rate for students who received remedial education during	
26	the 2023-2024 academic year.	
27	On or before October 15, 2024, the San Carlos Apache college board	
28	of regents shall submit to the governor, the speaker of the house of	
29	representatives, the president of the senate, the secretary of state and	
30	the joint legislative budget committee a report that details the course	
31	completion rate for students who received remedial education during the	
32	2023-2024 academic year.	
33	Sec. 21. REGISTRAR OF CONTRACTORS	
34		<u>2023-24</u>
35	FTE positions	105.6
36	Operating lump sum appropriation	\$ 12,737,000
37	Office of administrative	
38	hearings costs	<u>1,017,600</u>
39	Total appropriation – registrar of	
40	contractors	\$ 13,754,600
41	Fund sources:	
42	Registrar of contractors fund	\$ 13,754,600

1	Sec. 22.	CORPORATION COMMISSION	
2			<u>2023-24</u>
3		FTE positions	301.9
4		Operating lump sum appropriation	\$ 36,288,500
5		Corporation filings, same-day	
6		service	417,000
7		Utilities audits, studies,	
8		investigations and hearings	<u>380,000*</u>
9	Total appropriation – corporation commission	\$	37,085,500
10	Fund sources:		
11		State general fund	\$ 807,200
12		Arizona arts trust fund	58,800
13		Investment management regulatory	
14		and enforcement fund	1,312,000
15		Public access fund	8,464,500
16		Securities regulatory and	
17		enforcement fund	7,706,900
18		Utility regulation revolving fund	18,736,100
19	Sec. 23.	STATE DEPARTMENT OF CORRECTIONS	
20			<u>2023-24</u>
21		FTE positions	9,569.0
22		Operating lump sum appropriation	\$ 898,184,300
23		Private prison per diem	289,858,400
24		Community corrections	27,681,200
25		Inmate health care contracted	
26		services	321,620,200
27		Substance abuse treatment	5,445,400
28		Transitional and reentry housing	5,000,000*
29		Transitional housing grants	2,000,000
30		Inmate dog training	<u>750,000</u>
31	Total appropriation – state department		
32	of corrections	\$	1,550,539,500
33	Fund sources:		
34		State general fund	\$1,492,641,000
35		State education fund for	
36		correctional education	738,900
37		Alcohol abuse treatment fund	555,800
38		Penitentiary land fund	2,777,600
39		State charitable, penal and	
40		reformatory institutions	
41		land fund	2,665,100
42		Corrections fund	31,312,500

1	Transition program fund	4,400,300
2	Prison construction and	
3	operations fund	14,106,800
4	Inmate store proceeds fund	1,341,500

5 Of the amount appropriated in the operating lump sum, \$495,853,200
 6 is designated for personal services, \$234,006,200 is designated for
 7 employee-related expenditures and \$15,540,500 is designated for overtime
 8 expenditures. The department shall submit an expenditure plan for review
 9 by the joint legislative budget committee before spending these monies
 10 other than for personal services or employee-related expenditures.

11 After the department submits an expenditure plan to the joint
 12 legislative budget committee, the department may transfer personal
 13 services and employee-related expenditures savings from the operating
 14 budget to the private prison per diem line item for private prison staff
 15 stipends. The amount of any private prison staff stipend may not exceed
 16 the amount given to department staff. The expenditure plan is not subject
 17 to review by the joint legislative budget committee.

18 Private prison vendors who contract with this state may use staff
 19 vacancy savings to pay for overtime costs without incurring a penalty or
 20 staffing offset.

21 Before placing any inmates in out-of-state provisional beds, the
 22 department shall place inmates in all available prison beds in facilities
 23 that are located in this state and that house Arizona inmates, unless the
 24 out-of-state provisional beds are of a comparable security level and
 25 price.

26 The state department of corrections shall forward to the president
 27 of the senate, the speaker of the house of representatives, the
 28 chairpersons of the senate and house of representatives appropriations
 29 committees and the director of the joint legislative budget committee a
 30 monthly report comparing department expenditures for the month and
 31 year-to-date as compared to prior-year expenditures on or before the
 32 thirtieth of the following month. The report shall be in the same format
 33 as the prior fiscal year and include an estimate of potential shortfalls,
 34 potential surpluses that may be available to offset these shortfalls and a
 35 plan, if necessary, for eliminating any shortfall without a supplemental
 36 appropriation. The report shall include the number of filled and vacant
 37 correctional officer and medical staff positions departmentwide and by
 38 prison complex.

39 On or before November 1, 2023, the state department of corrections
 40 shall provide a report on bed capacity to the joint legislative budget
 41 committee. The report shall reflect the bed capacity for each security
 42 classification by gender at each state-run and private institution,
 43 divided by rated and total beds. The report shall include bed capacity
 44 data for June 30, 2022 and June 30, 2023 and the projected capacity for
 45 June 30, 2024, as well as the reasons for any change within that time

period. Within the total bed count, the department shall provide the number of temporary and special use beds. The report shall also address the department's rationale for eliminating any permanent beds rather than reducing the level of temporary beds. The report shall also include any plans to vacate beds but not permanently remove the beds from the bed count.

If the department develops a plan after the department's November 1, 2023 report to open or close 100 or more state-operated or private prison rated beds, the department shall submit a plan detailing the proposed bed changes for review by the joint legislative budget committee before implementing these changes.

One hundred percent of land earnings and interest from the penitentiary land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used to support state penal institutions.

On or before December 15, 2023 and July 15, 2024, the state department of corrections shall submit a report to the joint legislative budget committee on the progress made in meeting the staffing needs for correctional officers. Each report shall include the number of filled correctional officer positions, the number of vacant correctional officer positions, the number of people in training, the number of separations and the number of hours of overtime worked year-to-date. The report shall detail these amounts both departmentwide and by prison complex.

Twenty-five percent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used to support state penal institutions.

Before spending any state education fund for correctional education monies in excess of \$738,900, the state department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

Before implementing any changes in contracted rates for inmate health care contracted services, the state department of corrections shall submit its expenditure plan for review by the joint legislative budget committee.

On or before August 1, 2023 and February 1, 2024, the state department of corrections shall submit a report to the joint legislative budget committee on the status of all inmate health care performance measures that are tracked by the department for contract monitoring purposes. Each report must include:

1. The total number of performance measures, by facility, for which the department is not in substantial compliance.
2. An explanation for each instance of noncompliance.
3. The department's plan to comply with the performance measures.

1 On or before August 1, 2023, the state department of corrections
2 shall transfer to the public safety personnel retirement system via the
3 department of administration its estimated required annual contribution to
4 the corrections officer retirement plan for fiscal year 2023-2024.

5 The department shall report actual fiscal year 2022-2023, estimated
6 fiscal year 2023-2024 and requested fiscal year 2024-2025 expenditures as
7 delineated in the prior year when the department submits its fiscal year
8 2024-2025 budget request pursuant to section 35-113, Arizona Revised
9 Statutes.

10 On or before July 15, 2023, the state department of corrections
11 shall submit a report to the joint legislative budget committee detailing
12 the expenditure of monies appropriated in fiscal year 2021-2022 for
13 medical staffing augmentation. The department shall continue to report on
14 July 15 of each year until all monies have been expended.

15 The amount appropriated in the transitional and reentry housing line
16 item shall be used by the state department of corrections to secure
17 through a competitive grant process a program that does all of the
18 following:

19 1. Provides evidence-based, evidence-informed and culturally
20 competent substance use treatment and substance use early intervention
21 services that includes referral services, stabilization, detox, inpatient
22 treatment, transitional residence and outpatient services to individuals
23 who may have one or a combination of the following conditions:

24 (a) Involvement with the justice system.

25 (b) A mental health diagnosis, including a diagnosis as being
26 seriously mentally ill.

27 (c) A co-occurring chronic health condition.

28 (d) Experienced homelessness or are at a high risk of becoming
29 homeless.

30 2. Provides residential inpatient treatment services for up to
31 ninety days and provides long-term recovery supportive housing for up to
32 twenty-four months after inpatient treatment services end.

33 3. Delivers forensic peer and family support services to enhance
34 and strengthen successful reentry into the community that include
35 workforce development, securing permanent housing, navigating systems of
36 care, educational and professional development opportunities, family
37 connection and reintegration services, supporting multiple pathways to
38 recovery and providing sober social activities.

39 4. Uses technology to promote long-term recovery.

40 5. Delivers treatment for reentry and long-term recovery services
41 and provides support via a campus-based continuum of care model where
42 services and support are colocated.

The amount appropriated in the transitional housing grants line item shall be used to establish a program to provide grants to nonprofit organizations that support individuals who are incarcerated by helping prepare them for release and transition back into the community. To be eligible for a grant, a nonprofit organization must meet all of the following criteria:

1. Have a verifiable record of mentoring at least three thousand inmates while the inmates were in prison for at least a two-year period.

2. Use the grant monies for individuals that have been previously mentored by the nonprofit organization. To receive resources from the grant, individuals being released from prison must have been mentored for at least three months by the nonprofit organization while the individual was in prison.

3. Demonstrate that the nonprofit organization can provide individuals being released from prison with all of the following:

(a) Up to two weeks of housing at no cost to the individual, if necessary as assessed by the nonprofit organization and up to six months of housing at a reduced rate.

(b) Behavioral health services, including peer support and case management.

(c) Assistance with obtaining government-issued documents.

(d) Within four months after release, assistance with securing employment that offers health insurance and assistance with disenrolling from the Arizona health care cost containment system.

On or before August 31, 2024, the department shall submit a report to the governor, the president of the senate and the speaker of the house of representatives that includes all of the following for the prior year:

1. The names of the nonprofit organizations that were awarded grants.

2. The number of individuals who were served by the nonprofit organizations through the grant program.

3. The number of individuals who were served by the nonprofit organizations, who found employment that provides health insurance and who were disenrolled from the Arizona health care cost containment system.

The amount appropriated in the inmate dog training line item shall be used to contract with a nonprofit organization that trains inmates to rehabilitate and resocialize at-risk shelter dogs.

Sec. 24. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2023-24</u>
FTE positions	11.0
Operating lump sum appropriation	\$ 1,382,100
Law enforcement crime victim notification fund deposit	10,000,000

1	Major incident regional law	
2	enforcement task force	600,000
3	State aid to county attorneys	973,700
4	State aid to indigent defense	700,000
5	State aid for juvenile dependency	
6	proceedings fund deposit	2,000,000
7	Victim compensation and	
8	assistance	<u>6,224,600</u>
9	Total appropriation – Arizona criminal	
10	justice commission	\$ 21,880,400
11	Fund sources:	
12	State general fund	\$ 14,600,000
13	Criminal justice enhancement fund	708,900
14	Resource center fund	647,100
15	State aid to county attorneys fund	973,700
16	State aid to indigent defense fund	700,000
17	Victim compensation and assistance	
18	fund	4,250,700

19 Of the \$10,000,000 appropriated in the law enforcement crime victim
20 notification fund deposit line item, the Arizona criminal justice
21 commission may use up to \$400,000 in fiscal year 2023-2024 to evaluate,
22 certify and pay for any costs associated with the law enforcement crime
23 victim notification fund established by section 41-180, Arizona Revised
24 Statutes.

25 All victim compensation and assistance fund monies received by the
26 Arizona criminal justice commission in excess of \$4,250,700 in fiscal year
27 2023-2024 are appropriated to the crime victims program. Before spending
28 any victim compensation and assistance fund monies in excess of \$4,250,700
29 in fiscal year 2023-2024, the Arizona criminal justice commission shall
30 report the intended use of the monies to the joint legislative budget
31 committee.

32 All monies received by the Arizona criminal justice commission in
33 excess of \$973,700 in fiscal year 2023-2024 from the state aid to county
34 attorneys fund established by section 11-539, Arizona Revised Statutes,
35 are appropriated to the state aid to county attorneys program. Before
36 spending any state aid to county attorneys fund monies in excess of
37 \$973,700 in fiscal year 2023-2024, the Arizona criminal justice commission
38 shall report the intended use of the monies to the joint legislative
39 budget committee.

40 Sec. 25. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

41		<u>2023-24</u>
42	FTE positions	562.2
43	Administration/statewide	\$ 9,298,500
44	Phoenix day school for the deaf	12,098,200

1	Tucson campus	11,967,500
2	Preschool/outreach programs	7,181,200
3	School bus/agency vehicle	
4	replacement	369,000
5	Cooperative services	<u>20,125,900</u>

6	Total appropriation – Arizona state schools	
7	for the deaf and the blind	\$ 61,040,300

8	Fund sources:	
9	State general fund	\$ 25,571,700
10	Schools for the deaf and	
11	the blind fund	15,342,700
12	Cooperative services fund	20,125,900

13 Before spending any schools for the deaf and the blind fund monies
 14 in excess of \$15,342,700 in fiscal year 2023-2024, the Arizona state
 15 schools for the deaf and the blind shall report to the joint legislative
 16 budget committee the intended use of the monies.

17 Before spending any cooperative services fund monies in excess of
 18 \$20,125,900 in fiscal year 2023-2024, the Arizona state schools for the
 19 deaf and the blind shall report to the joint legislative budget committee
 20 the intended use of the monies.

21	Sec. 26. COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
22		<u>2023-24</u>
23	FTE positions	21.0
24	Operating lump sum appropriation	\$ 4,644,000
25	Support services for the	
26	deaf-blind	<u>192,000</u>

27	Total appropriation – commission for the	
28	deaf and the hard of hearing	\$ 4,836,000

29	Fund sources:	
30	Telecommunication fund for	
31	the deaf	\$ 4,836,000

32 The amount appropriated for the aging individuals research line item
 33 in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 26 is
 34 exempt from the provisions of section 35-190, Arizona Revised Statutes,
 35 relating to the lapsing of appropriations, until June 30, 2024.

36	Sec. 27. STATE BOARD OF DENTAL EXAMINERS	
37		<u>2023-24</u>
38	FTE positions	13.0
39	Lump sum appropriation	\$ 2,059,900
40	Fund sources:	
41	Dental board fund	\$ 2,059,900

1	Sec. 28. OFFICE OF ECONOMIC OPPORTUNITY	
2		<u>2023-24</u>
3	FTE positions	5.0
4	Operating lump sum appropriation	\$ 525,800
5	Microbusiness loan fund deposit	<u>5,000,000</u>
6	Total appropriation – office of	
7	economic opportunity	\$ 5,525,800
8	Fund sources:	
9	State general fund	\$ 5,525,800
10	Sec. 29. DEPARTMENT OF ECONOMIC SECURITY	
11		<u>2023-24</u>
12	FTE positions	4,533.8
13	Operating lump sum appropriation	\$332,426,600
14	<u>Administration</u>	
15	Attorney general legal services	11,379,800
16	<u>Aging and adult services</u>	
17	Adult services	15,731,900
18	Community and emergency services	3,724,000
19	Coordinated homeless services	2,522,600
20	Coordinated hunger services	2,254,600
21	Produce incentive program	5,462,600*
22	Globe-Miami area food bank	250,000
23	Domestic violence prevention	14,004,000
24	Long-term care ombudsman	1,000,000
25	<u>Benefits and medical eligibility</u>	
26	Temporary assistance for needy	
27	families – cash benefits	22,736,400
28	Tribal pass-through funding	4,680,300
29	Diaper and incontinence products	
30	assistance	1,000,000
31	<u>Child support enforcement</u>	
32	County participation	8,539,700
33	<u>Developmental disabilities</u>	
34	DDD premium tax payment	61,199,900
35	Case management – medicaid	104,597,100
36	Home and community based	
37	services – medicaid	2,349,691,300
38	Institutional services –	
39	medicaid	47,171,500
40	Physical and behavioral	
41	health services – medicaid	541,328,700
42	Medicare clawback payments	6,055,500

1	Targeted case management – medicaid	15,321,600
2	State match transfer from AHCCCS	982,330,300
3	Case management – state-only	6,354,000
4	Home and community based	
5	services – state-only	14,089,000
6	Cost effectiveness study – client	
7	services	8,420,000
8	Arizona early intervention program	14,119,000
9	State-funded long-term care	
10	services	43,534,700
11	Group home monitoring program	1,200,000
12	Graham county rehabilitation center	830,000
13	<u>Employment and rehabilitation services</u>	
14	JOBS	11,005,600
15	Child care subsidy	187,080,200
16	Independent living rehabilitation	
17	services	1,289,400
18	Rehabilitation services	7,249,100
19	Workforce innovation	
20	and opportunity act	
21	services	<u>85,824,200</u>
22	Total appropriation and expenditure	
23	authority – department of	
24	economic security	\$4,914,403,600
25	Fund sources:	
26	State general fund	\$1,206,858,700
27	Federal child care and	
28	development fund block grant	200,010,200
29	Federal temporary assistance for	
30	needy families block grant	66,591,200
31	Long-term care system fund	33,864,200
32	Public assistance collections	
33	fund	430,400
34	Special administration fund	4,643,200
35	Spinal and head injuries trust	
36	fund	2,388,200
37	Statewide cost allocation plan	
38	fund	1,000,000
39	Child support enforcement	
40	administration fund	17,683,300
41	Domestic violence services fund	4,000,300
42	Workforce investment act grant	87,110,800

1	Child support enforcement	
2	administration fund	
3	expenditure authority	43,047,000
4	Developmental disabilities	
5	medicaid expenditure	
6	authority	3,192,363,800
7	Health care investment fund	
8	expenditure authority	54,412,300

9 Aging and adult services

10 The amount appropriated for the Globe-Miami area food bank line item
11 shall be distributed to a food bank that maintains its headquarters in the
12 Globe-Miami area.

13 All domestic violence services fund monies in excess of \$4,000,300
14 received by the department of economic security are appropriated for the
15 domestic violence prevention line item. Before spending these increased
16 monies, the department shall report the intended use of monies in excess
17 of \$4,000,300 to the joint legislative budget committee.

18 On or before December 15, 2023, the department of economic security
19 shall report to the joint legislative budget committee the amount of state
20 and federal monies available statewide for domestic violence prevention
21 funding. The report shall include, at a minimum, the amount of monies
22 available and the state fiscal agent receiving those monies.

23 Benefits and medical eligibility

24 The operating lump sum appropriation may be spent on Arizona health
25 care cost containment system eligibility determinations based on the
26 results of the Arizona random moment sampling survey.

27 Child support enforcement

28 All state shares of retained earnings, fees and federal incentives
29 in excess of \$17,683,300 received by the division of child support
30 enforcement are appropriated for operating expenditures. New FTE
31 positions are authorized with the increased funding. Before spending
32 these increased monies, the department of economic security shall report
33 the intended use of the monies to the joint legislative budget committee.

34 Developmental disabilities

35 On or before September 1, 2024, the department of economic security
36 shall report to the president of the senate, the speaker of the house of
37 representatives, the chairpersons of the senate and house of
38 representatives appropriations committees and the director of the joint
39 legislative budget committee any new placement into a state-owned ICF-IID
40 or the Arizona training program at the Coolidge campus in fiscal year
41 2023-2024 and the reason this placement, rather than a placement into a
42 privately run facility for persons with developmental disabilities, was
43 deemed as the most appropriate placement. The department shall also
44 report if no new placements were made. On or before September 1, 2024,
45 the department shall also report to the director of the joint legislative

1 budget committee the total costs associated with the Arizona training
2 program at Coolidge in fiscal year 2023-2024.

3 The department shall report to the joint legislative budget
4 committee on or before March 1 of each year on preliminary actuarial
5 estimates of the capitation rate changes for the following fiscal year
6 along with the reasons for the estimated changes. For any actuarial
7 estimates that include a range, the total range from minimum to maximum
8 may not be more than two percent. Before implementing any changes in
9 capitation rates for the long-term care system, the department shall
10 submit a report for review by the joint legislative budget committee.
11 Before the department implements any change in policy affecting the
12 amount, sufficiency, duration and scope of health care services and who
13 may provide services, the department shall prepare a fiscal impact
14 analysis on the potential effects of this change on the following year's
15 capitation rates. If the fiscal impact analysis demonstrates that this
16 change will result in additional state costs of \$500,000 or more for any
17 fiscal year, the department shall submit the policy change for review by
18 the joint legislative budget committee.

19 Before implementing developmental disabilities or long-term care
20 statewide provider rate adjustments that are not already specifically
21 authorized by the legislature, court mandates or changes to federal law,
22 the department shall submit a report for review by the joint legislative
23 budget committee that includes, at a minimum, the estimated cost of the
24 provider rate adjustment and the ongoing source of funding for the
25 adjustment, if applicable.

26 Before transferring any monies in or out of the case management -
27 medicaid, case management - state-only and DDD administration line items,
28 the department shall submit a report for review by the joint legislative
29 budget committee, except that transfers from the state match transfer from
30 AHCCCS line item into those line items do not require a report for review.

31 On or before November 30, 2023 and November 30, 2024, the department
32 of economic security shall submit a report to the joint legislative budget
33 committee regarding expenditures from the cost effectiveness study -
34 client services line item in the previous fiscal year. The report shall
35 include the number of clients and total amounts spent from the line item
36 in each setting type along with expenditures for those clients in other
37 line items. The report shall also include cost effectiveness spending in
38 other line items.

39 The amount appropriated for the home and community based services -
40 medicaid line item includes \$115,793,900 from expenditure authority to
41 implement the American rescue plan act of 2021 (P.L. 117-2) home and
42 community-based services spending plan in fiscal year 2023-2024. The
43 department may not use these monies for marketing purposes and any direct
44 payments or grants provided with the monies shall include a notification
45 to the recipient that the monies are onetime funding. Beginning on or

1 before July 31, 2023, the department shall provide quarterly reports to
2 the joint legislative budget committee at the same time that the
3 information is provided to the centers for medicare and medicaid services
4 reflecting any changes to the department's spending plan. Of the amount
5 appropriated for the home and community based services - medicaid line
6 item, \$115,793,900 is exempt from the provisions of section 35-190,
7 Arizona Revised Statutes, relating to lapsing of appropriations.

8 The amount appropriated for the Graham county rehabilitation center
9 line item includes \$800,000 to remodel the Graham county rehabilitation
10 center facilities in Safford and \$30,000 for an afterschool program.

11 Employment and rehabilitation services

12 On or before September 15, 2023 and March 15, 2024, the department
13 of economic security shall submit a report to the president of the senate,
14 the speaker of the house of representatives, the chairpersons of the
15 senate and house of representatives appropriations committees and the
16 joint legislative budget committee on child care development block grant
17 monies provided from the coronavirus aid, relief, and economic security
18 act, the consolidated appropriations act, 2021 and the American rescue
19 plan act of 2021 (P.L. 117-2). The report must include, at a minimum, the
20 actual expenditures made to date by purpose and, separately, by federal
21 legislation, the expenditure plan for all remaining monies by purpose and,
22 separately, by federal legislation, the number of children served with the
23 monies on average each month, the average child care reimbursement rates
24 for the entire program, including these monies, and the number of child
25 care settings with a quality rating.

26 The department of economic security shall forward to the joint
27 legislative budget committee a monthly report listing data on the child
28 care population served. The report must include, at a minimum, in each
29 program the number of unduplicated children enrolled in child care within
30 the department of economic security and the department of child safety by
31 program and the average amount paid per child plus quality-related
32 spending.

33 All workforce investment act grant monies that are received by this
34 state in excess of \$87,110,800 are appropriated to the workforce
35 innovation and opportunity act services line item. Before spending these
36 increased monies, the department shall report the intended use of monies
37 in excess of \$87,110,800 to the joint legislative budget committee.

38 Departmentwide

39 The above appropriations are in addition to monies granted to this
40 state by the federal government for the same purposes but are deemed to
41 include the sums deposited in the state treasury to the credit of the
42 department of economic security pursuant to section 42-5029, Arizona
43 Revised Statutes.

The department of economic security shall forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior-year totals on or before the thirtieth of the following month. The report shall include an estimate of potential shortfalls in entitlement programs and potential federal and other monies, such as the statewide assessment for indirect costs, and any projected surplus in state-supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 30. STATE BOARD OF EDUCATION

	<u>2023-24</u>
FTE positions	23.0
Operating lump sum appropriation	\$ 3,155,100
Arizona empowerment scholarship	
account appeals	<u>221,600</u>
Total appropriation –	
state board of education	\$ 3,376,700
Fund sources:	
State general fund	\$ 3,376,700

Sec. 31. SUPERINTENDENT OF PUBLIC INSTRUCTION

	<u>2023-24</u>
FTE positions	232.9
Operating lump sum appropriation	\$ 25,633,100
<u>Formula programs</u>	
Basic state aid	6,138,916,800
Onetime state aid supplement	300,000,000
Special education fund	36,029,200
Other state aid to districts	983,900
Classroom site fund	1,018,912,500
Instructional improvement fund	60,425,700
<u>Property tax relief</u>	
Additional state aid	511,613,100
<u>Non-formula programs</u>	
Accountability and achievement	
testing	16,442,300
Adult education	21,769,100
Alternative teacher development	
program	1,800,000
Arizona civics education and	
leadership development program	300,000

1	Arizona English language	
2	learner fund	4,960,400
3	Art consumables	10,000,000
4	Broadband expansion fund deposit	5,000,000
5	CTED certification exam fee	
6	reimbursement	1,000,000
7	CTED completion grants	1,000,000
8	CTED soft capital and equipment	1,000,000
9	College credit by examination	
10	incentive program	7,472,100
11	College placement exam fee waiver	1,265,800
12	Computer science professional	
13	development program	1,000,000
14	Dual enrollment student development	
15	fund deposit	15,000,000
16	Dual enrollment teacher development	
17	fund deposit	500,000
18	Early education and career	
19	exploration program	5,000,000
20	Early literacy	18,880,000
21	Education learning and	
22	accountability system	5,447,100
23	English learner administration	6,597,100
24	Feminine hygiene products	2,000,000
25	Flagstaff robotics program	20,000
26	Geographic literacy	100,000
27	Gifted assessments	850,000
28	Gila county jail education	10,000
29	Jobs for Arizona graduates	500,000
30	Juvenile detention centers	52,600
31	K-12 transportation formula study	250,000
32	Live, remote instructional courses	100,000
33	Nonprofit education initiatives	100,000
34	Nonprofit low-income assistance	500,000
35	Phoenix science education programs	2,500,000
36	Public school campus community	
37	gardens	100,000*
38	Public school campus trees	300,000*
39	School safety program	81,992,600
40	State block grant for vocational	
41	education	11,774,700

1	Student level data access	357,900
2	Teacher certification	2,554,500
3	Teacher professional development	3,000,000
4	Tribal college dual enrollment	
5	program	325,000
6	Youth summer education program	<u>250,000</u>
7	Total appropriation and expenditure	
8	authority – superintendent	
9	of public instruction	\$8,324,585,500
10	Fund sources:	
11	State general fund	\$6,732,358,700
12	Education sales tax fund	7,000,000
13	Permanent state school fund	342,797,300
14	Teacher certification fund	2,527,900
15	Tribal college dual enrollment	
16	program fund	325,000
17	Department of education empowerment	
18	scholarship account fund	357,900
19	Expenditure authority	1,239,218,700

20 Operating lump sum

21 The appropriated amount for the operating lump sum includes a
 22 onetime increase of \$10,000,000 from the state general fund in fiscal year
 23 2023-2024 for operating expenses. The increase is exempt from the
 24 provisions of section 35-190, Arizona Revised Statutes, relating to
 25 lapsing of appropriations, until June 30, 2026.

26 Any monies available to the department of education pursuant to
 27 section 42-5029.02, subsection A, paragraph 8, Arizona Revised Statutes,
 28 for the failing schools tutoring fund established by section 15-241,
 29 Arizona Revised Statutes, in excess of the expenditure authority amounts
 30 are allocated for the purposes of section 42-5029.02, subsection A,
 31 paragraph 8, Arizona Revised Statutes.

32 Any monies available to the department of education pursuant to
 33 section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes,
 34 for character education matching grants pursuant to section 15-154.01,
 35 Arizona Revised Statutes, in excess of the expenditure authority amounts
 36 are allocated for the purposes of section 42-5029.02, subsection A,
 37 paragraph 6, Arizona Revised Statutes.

38 Basic state aid

39 The appropriation for basic state aid provides basic state support
 40 to school districts for maintenance and operations funding as provided by
 41 section 15-973, Arizona Revised Statutes, and includes an estimated
 42 \$342,797,300 in expendable income derived from the permanent state school
 43 fund and from state trust lands pursuant to section 37-521, subsection B,
 44 Arizona Revised Statutes, for fiscal year 2023-2024.

1 Monies derived from the permanent state school fund and any other
 2 non-state general fund revenue source that is dedicated to fund basic
 3 state aid shall be spent, whenever possible, before spending state general
 4 fund monies.

5 Except as required by section 37-521, Arizona Revised Statutes, all
 6 monies received during the fiscal year from national forests, interest
 7 collected on deferred payments on the purchase of state lands, income from
 8 investing permanent state school funds as prescribed by the enabling act
 9 and the Constitution of Arizona and all monies received by the
 10 superintendent of public instruction from whatever source, except monies
 11 received pursuant to sections 15-237 and 15-531, Arizona Revised Statutes,
 12 when paid into the state treasury are appropriated for apportionment to
 13 the various counties in accordance with law. An expenditure may not be
 14 made except as specifically authorized above.

15 Any monies available to the department of education pursuant to
 16 section 42-5029.02, subsection A, paragraph 5, Arizona Revised Statutes,
 17 for the increased cost of basic state aid under section 15-971, Arizona
 18 Revised Statutes, due to added school days in excess of the expenditure
 19 authority amounts are allocated for the purposes of section 42-5029.02,
 20 subsection A, paragraph 5, Arizona Revised Statutes.

21 Other programs

22 The department of education shall allocate the appropriated amount
 23 for the onetime state aid supplement to school districts and charter
 24 schools on a pro rata basis using the weighted student count for the
 25 school district or charter school for the fiscal year pursuant to section
 26 15-943, paragraph 2, subdivision (a), Arizona Revised Statutes, and
 27 increase the budget limits pursuant to section 15-947, Arizona Revised
 28 Statutes, accordingly. For the purposes of this paragraph, the weighted
 29 student count for a school district that serves as the district of
 30 attendance for nonresident pupils shall be increased to include
 31 nonresident pupils who attend school in the school district.

32 A school district may budget the monies that it receives from the
 33 onetime state aid supplement line item in either the school district's
 34 maintenance and operation fund or unrestricted capital outlay fund.

35 Any monies available to the department of education for the
 36 classroom site fund pursuant to section 37-521, subsection B, paragraph 4,
 37 Arizona Revised Statutes, and section 42-5029.02, subsection A, paragraph
 38 10, Arizona Revised Statutes, in excess of expenditure authority amounts
 39 are allocated for the purposes of section 37-521, subsection B, paragraph
 40 4, Arizona Revised Statutes, and section 42-5029.02, subsection A,
 41 paragraph 10, Arizona Revised Statutes.

Any monies available to the department of education from the instructional improvement fund established by section 15-979, Arizona Revised Statutes, in excess of the expenditure authority amounts are allocated for the purposes of section 15-979, Arizona Revised Statutes.

Before making any changes to the achievement testing program that will increase program costs, the department of education and the state board of education shall submit the estimated fiscal impact of those changes to the joint legislative budget committee for review.

Any monies available to the department of education for accountability purposes pursuant to section 42-5029.02, subsection A, paragraph 7, Arizona Revised Statutes, in excess of the expenditure authority amounts are allocated for the purposes of section 42-5029.02, subsection A, paragraph 7, Arizona Revised Statutes.

The appropriated amount for adult education includes \$4,620,000 for the continuing high school and workforce training program established by section 15-217.01, Arizona Revised Statutes, \$6,000,000 for deposit in the adult workforce diploma program fund established by section 15-217.02, subsection B, Arizona Revised Statutes and \$6,000,000 for deposit in the community college adult education workforce development program fund established by section 15-217.03, subsection C, Arizona Revised Statutes.

The appropriated amount for art consumables shall be distributed for grants of not more than \$1,000 per recipient to public school arts teachers and any public school teachers for preschool through third grade for arts supplies, materials and instructional aids that are of a consumable nature as defined by the uniform system of financial records prescribed by the auditor general pursuant to section 15-271, Arizona Revised Statutes.

Monies appropriated for CTED completion grants are intended to help fund program completion for students who complete at least fifty percent of a career technical education program before graduating from high school and who successfully complete the career technical education district program after graduating from high school. The application procedures shall award grant funding only after an eligible student has successfully completed a career technical education district program.

If the appropriated amount for CTED completion grants is insufficient to fund all grant requests from career technical education districts, the department of education shall reduce grant amounts on a proportional basis in order to cap total statewide allocations at \$1,000,000.

The appropriated amount for CTED completion grants is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

1 The department of education shall distribute the appropriated amount
2 for CTED soft capital and equipment to career technical education
3 districts with fewer than two thousand average daily membership pupils for
4 soft capital and equipment expenses. The appropriated amount shall be
5 allocated on a pro rata basis based on the average daily membership of
6 eligible career technical education districts.

7 Before spending the \$6,880,000 increase in the appropriated amount
8 for the early literacy line item for literacy coaches, kindergarten entry
9 assessments, dyslexia training or science of reading exams, the department
10 of education shall submit an expenditure plan to the joint legislative
11 budget committee and the governor's office of strategic planning and
12 budgeting. The department shall report its actual expenditures for the
13 early literacy line item for literacy coaches, kindergarten entry
14 assessments, dyslexia training and science of reading exams to the joint
15 legislative budget committee on or before July 31, 2024.

16 The department of education shall use the appropriated amount for
17 English learner administration to provide English language acquisition
18 services for the purposes of section 15-756.07, Arizona Revised Statutes,
19 and for the costs of providing English language proficiency assessments,
20 scoring and ancillary materials as prescribed by the department of
21 education to school districts and charter schools for the purposes of
22 title 15, chapter 7, article 3.1, Arizona Revised Statutes. The
23 department may use a portion of the appropriated amount to hire staff or
24 contract with a third party to carry out the purposes of section
25 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192,
26 Arizona Revised Statutes, the superintendent of public instruction also
27 may use a portion of the appropriated amount to contract with one or more
28 private attorneys to provide legal services in connection with the case of
29 Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

30 The department of education shall use the appropriated amount for
31 geographic literacy to issue a grant to a statewide geographic alliance
32 for strengthening geographic literacy in this state.

33 The department of education shall use the appropriated amount for
34 jobs for Arizona graduates to issue a grant to a nonprofit organization
35 for a JOBS for Arizona graduates program.

36 The appropriated amount for juvenile detention centers includes
37 \$22,600 for Yavapai county, \$20,000 for Pinal county and \$10,000 for
38 Maricopa county.

39 The appropriated amount for the K-12 transportation formula study
40 shall be used to develop a per pupil weighted transportation funding
41 formula for K-12 students. The appropriated amount shall be used only for
42 the costs associated with developing the per pupil weighted transportation
43 formula. On or before December 31, 2023, the department of education
44 shall submit a report to the president of the senate, the speaker of the
45 house of representatives, the chairpersons of the senate and house of

1 representatives education committees, the director of the joint
2 legislative budget committee and the director of the governor's office of
3 strategic planning and budgeting that includes at least the following
4 information:

5 1. The amount determined to be the per pupil base transportation
6 amount for every K-12 student.

7 2. The appropriate weight for students with extraordinary needs.

8 3. The appropriate weight for students in grades nine through
9 twelve .

10 4. The appropriate weight for foster and homeless students.

11 5. The appropriate sparsity weight for rural, remote and isolated
12 students, including long-distance open enrollment students.

13 The appropriated amount for live, remote instructional courses is
14 exempt from the provisions of section 35-190, Arizona Revised Statutes,
15 relating to lapsing of appropriations, until December 31, 2025.

16 The department of education shall distribute the appropriated amount
17 for nonprofit education initiatives to a nonprofit organization based in
18 Scottsdale that is qualified under section 501(c)(3) of the internal
19 revenue code and that provides scholarships and other educational
20 programming and promotes youth activities, sports and cultural enrichment.

21 The department of education shall distribute the appropriated amount
22 for nonprofit low-income assistance to a nonprofit organization that is
23 qualified under section 501(c)(3) of the internal revenue code and that
24 provides low-income children in kindergarten programs and grades one
25 through eight with new clothing and shoes, hygiene kits, and new books.

26 The department of education shall distribute the appropriated amount
27 for public school campus trees for grants to public schools to plant
28 low-biogenic volatile organic compound-emitting trees on school campuses
29 that are appropriate for each school's respective climate. Until December
30 31, 2023, the department shall distribute the appropriated amount on a
31 first-come, first-served basis only to public schools in this state at
32 which seventy-five percent or more of the students are eligible for free
33 or reduced-price lunches under the national school lunch and child
34 nutrition acts (42 United States Code sections 1751 through 1793). If any
35 monies remain undistributed from and after December 31, 2023, the
36 department shall distribute the monies on a first-come, first-served basis
37 to public schools in this state. The department may require each public
38 school that receives grant monies to issue a report regarding the school's
39 use of monies received. A public school that receives monies from the
40 department may partner with nonprofit organizations to plant the trees on
41 the school's campus.

1 The amount appropriated for the school safety program in fiscal year
2 2022-2023 pursuant to Laws 2022, chapter 313, section 31 included an
3 increase of \$50,000,000 for additional school safety grants. In
4 allocating the \$50,000,000 increase, the department of education shall
5 first distribute monies to schools on the school safety program waiting
6 list to receive grants for the costs of placing school resource officers
7 on school campuses. The awarded grants may not supplant funding provided
8 by local governments for school resource officers. If the total cost of
9 funding grants for school resource officer costs is less than \$50,000,000,
10 the department may allocate the remaining monies to grants to schools for
11 the costs of placing school counselors and social workers on school
12 campuses pursuant to section 15-154, Arizona Revised Statutes.

13 Any monies available to the department of education for school
14 safety pursuant to section 42-5029.02, subsection A, paragraph 6, Arizona
15 Revised Statutes, in excess of the expenditure authority amounts are
16 allocated for the purposes of section 42-5029.02, subsection A, paragraph
17 6, Arizona Revised Statutes.

18 The department shall distribute the appropriated amount for Phoenix
19 science education programs to an organization that is based in Phoenix and
20 that provides science, technology, engineering and math education programs
21 and professional development training.

22 The department shall distribute the appropriated amount for the
23 youth summer education program to a nonprofit organization that is based
24 in Globe and that provides summer education programs for youth.

25 After review by the joint legislative budget committee, in fiscal
26 year 2023-2024, the department of education may use a portion of its
27 fiscal year 2023-2024 state general fund appropriations for basic state
28 aid, additional state aid or the special education fund to fund a
29 shortfall in funding for basic state aid, additional state aid or the
30 special education fund, if any, that occurred in fiscal year 2022-2023.

31 The department shall provide an updated report on its budget status
32 every three months for the first half of each fiscal year and every month
33 thereafter to the president of the senate, the speaker of the house of
34 representatives, the chairpersons of the senate and house of
35 representatives appropriations committees, the director of the joint
36 legislative budget committee and the director of the governor's office of
37 strategic planning and budgeting. Each report shall include, at a
38 minimum, the department's current funding surplus or shortfall projections
39 for basic state aid and other major formula-based programs and is due
40 thirty days after the end of the applicable reporting period.

41 Within fifteen days after each apportionment of state aid that
42 occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes,
43 the department shall post on its website the amount of state aid
44 apportioned to each recipient and the underlying data.

1	Sec. 32. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS	
2		<u>2023-24</u>
3	FTE positions	65.1
4	Administration	\$ 2,558,000
5	Emergency management	876,800
6	Emergency management matching funds	1,544,900
7	Emergency hazard mitigation	1,333,300
8	Federal government matching repayment	759,200
9	Hazard mitigation assistance	462,900
10	Military affairs	2,142,200
11	National guard matching funds	3,370,000
12	National guard uniform allowance	300,000
13	National guard tuition	
14	reimbursement	1,000,000
15	Hazard mitigation revolving	
16	fund deposit	<u>200,000</u>
17	Total appropriation – department of	
18	emergency and military affairs	\$ 14,547,300
19	Fund sources:	
20	State general fund	\$ 14,547,300
21	The \$3,370,000 national guard matching funds appropriation is exempt	
22	from the provisions of section 35-190, Arizona Revised Statutes, relating	
23	to lapsing of appropriations, except that all fiscal year 2023-2024 monies	
24	remaining unexpended and unencumbered on December 31, 2024 revert to the	
25	state general fund.	
26	The \$759,200 federal government matching repayment appropriation is	
27	exempt from the provisions of section 35-190, Arizona Revised Statutes,	
28	relating to lapsing of appropriations, except that all fiscal year	
29	2023-2024 monies remaining unexpended and unencumbered on December 31,	
30	2024 revert to the state general fund.	
31	The appropriated amount for the national guard tuition reimbursement	
32	line item is exempt from the provisions of section 35-190, Arizona Revised	
33	Statutes, relating to lapsing of appropriations, until September 30, 2024.	
34	Sec. 33. DEPARTMENT OF ENVIRONMENTAL QUALITY	
35		<u>2023-24</u>
36	FTE positions	355.7
37	Operating lump sum appropriation	\$ 70,050,000
38	Direct potable reuse of treated	
39	wastewater program	1,500,000
40	Safe drinking water program	1,998,500

1	Water quality fee fund deposit	9,500,000
2	PFAS mitigation	5,000,000*
3	Emissions control contractor	
4	payment	<u>26,219,500</u>
5	Total appropriation – department of	
6	environmental quality	\$114,268,000
7	Fund sources:	
8	State general fund	\$ 16,000,000
9	Air quality fund	5,830,900
10	Emergency response fund	132,800
11	Emissions inspection fund	30,484,400
12	Hazardous waste management fund	1,946,600
13	Indirect cost fund	18,629,000
14	Permit administration fund	7,285,600
15	Recycling fund	1,522,400
16	Safe drinking water program	
17	fund	1,998,500
18	Solid waste fee fund	2,589,600
19	Water quality fee fund	27,848,200

20 On or before July 31, 2024, the department of environmental quality
 21 shall report to the joint legislative budget committee on its progress
 22 expending monies for PFAS mitigation, including funded projects,
 23 anticipated projects and outcomes as a result of mitigation efforts. The
 24 report shall include details about the scope and location of the projects.

25 The department of environmental quality shall report annually on the
 26 progress of WQARF activities, including emergency response, priority site
 27 remediation, cost recovery activity, revenue and expenditure activity and
 28 other WQARF-funded program activity. The department shall submit the
 29 fiscal year 2023-2024 report to the joint legislative budget committee on
 30 or before September 1, 2023. This report shall also include a budget for
 31 the WQARF program that is developed in consultation with the WQARF
 32 advisory board. This budget shall specify the monies budgeted for each
 33 listed site during fiscal year 2023-2024. In addition, the department and
 34 the WQARF advisory board shall prepare and submit to the joint legislative
 35 budget committee, on or before October 1, 2023, a report in a table format
 36 summarizing the current progress on remediation of each listed site on the
 37 WQARF registry. The table shall include the stage of remediation for each
 38 site at the end of fiscal year 2022-2023, indicate whether the current
 39 stage of remediation is anticipated to be completed in fiscal year
 40 2023-2024 and indicate the anticipated stage of remediation at each listed
 41 site at the end of fiscal year 2023-2024, assuming fiscal year 2023-2024
 42 funding levels. The department and the WQARF advisory board may include
 43 other relevant information about the listed sites in the table.

1 All permit administration fund monies received by the department of
 2 environmental quality in excess of \$7,285,600 in fiscal year 2023-2024 are
 3 appropriated to the department. Before spending permit administration
 4 fund monies in excess of \$7,285,600 in fiscal year 2023-2024, the
 5 department shall report the intended use of the monies to the joint
 6 legislative budget committee.

7 All monies in the department of environmental quality indirect cost
 8 fund, including the beginning balance, that are in excess of \$18,629,000
 9 in fiscal year 2023-2024 are appropriated to the department. Before
 10 spending indirect cost fund monies in excess of \$18,629,000 in fiscal year
 11 2023-2024, the department shall report the intended use of the monies to
 12 the joint legislative budget committee.

13 Sec. 34. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

		<u>2023-24</u>
FTE positions		5.0
Lump sum appropriation	\$	311,400
Fund sources:		
Personnel division fund	\$	311,400

19 Sec. 35. STATE BOARD OF EQUALIZATION

		<u>2023-24</u>
FTE positions		7.0
Lump sum appropriation	\$	737,900
Fund sources:		
State general fund	\$	737,900

25 Sec. 36. BOARD OF EXECUTIVE CLEMENCY

		<u>2023-24</u>
FTE positions		14.5
Lump sum appropriation	\$	1,426,300
Fund sources:		
State general fund	\$	1,426,300

31 On or before November 1, 2023, the board of executive clemency shall
 32 report to the directors of the joint legislative budget committee and the
 33 governor's office of strategic planning and budgeting the total number and
 34 types of cases the board reviewed in fiscal year 2022-2023.

35 Sec. 37. ARIZONA EXPOSITION AND STATE FAIR BOARD

		<u>2023-24</u>
FTE positions		184.0
Lump sum appropriation	\$	16,056,800
Fund sources:		
Arizona exposition and state		
fair fund	\$	16,056,800

42 Of the monies in the Arizona exposition and state fair board
 43 operating budget, \$2,000,000 shall be spent for enhanced state fair
 44 operations. Before spending monies in the operating budget on capital
 45 projects, the board shall submit a report for review by the joint

committee on capital review on the scope, purpose and estimated cost of the capital improvements.

Of the monies appropriated to the Arizona exposition and state fair board in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 37, \$2,300,000 of the lump sum appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024.

Sec. 38. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT

	<u>2023-24</u>
FTE positions	235.5
Operating lump sum appropriation	\$ 3,937,200
Environmental county grants	250,000
Inmate firefighting crews	869,600
Postrelease firefighting crews	1,282,700
Fire suppression	200,000
State fire marshal	1,795,600
State fire school	289,100
Hazardous vegetation removal	3,040,300
US forest service land thinning	1,660,900
Wildfire mitigation	<u>32,049,700</u>

Total appropriation – Arizona department of forestry and fire management \$ 45,375,100

Fund sources:

State general fund \$ 45,375,100

The appropriation for the hazardous vegetation removal line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

Sec. 39. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

	<u>2023-24</u>
FTE positions	4.0
Lump sum appropriation	\$ 476,800

Fund sources:

Board of funeral directors' and embalmers' fund \$ 476,800

Sec. 40. ARIZONA GAME AND FISH DEPARTMENT

	<u>2023-24</u>
FTE positions	273.5
Operating lump sum appropriation	\$48,091,600
Pittman-Robertson/Dingell-Johnson act	<u>3,058,000</u>

Total appropriation – Arizona game and fish department \$51,149,600

1	Fund sources:	
2	Capital improvement fund	\$ 1,001,200
3	Game and fish fund	44,516,200
4	Wildlife endowment fund	16,200
5	Watercraft licensing fund	5,226,800
6	Game, nongame, fish and	
7	endangered species fund	389,200
8	Sec. 41. DEPARTMENT OF GAMING	
9		<u>2023-24</u>
10	FTE positions	155.8
11	Operating lump sum appropriation	\$ 13,740,100
12	Arizona breeders' award	250,000
13	Casino operations certification	2,308,700
14	County fairs livestock and	
15	agriculture promotion	6,029,500
16	Division of racing	2,431,200
17	Contract veterinarian	175,000
18	Event wagering operator license	
19	fee refund	500,000
20	Horseracing integrity and safety	
21	act assessment	355,100
22	Racing purse enhancement	5,000,000
23	Problem gambling	<u>3,320,000</u>
24	Total appropriation – department of gaming	\$ 34,109,600
25	Fund sources:	
26	State general fund	\$ 12,059,600
27	Fantasy sports contest fund	150,100
28	Tribal-state compact fund	2,308,700
29	Arizona benefits fund	16,610,000
30	State lottery fund	300,000
31	Racing regulation fund	2,576,600
32	Racing regulation fund – unarmed	
33	combat subaccount	104,600

34 The amount appropriated to the county fairs livestock and
 35 agriculture promotion line item is for deposit in the county fairs
 36 livestock and agriculture promotion fund established by section 5-113,
 37 Arizona Revised Statutes, and to be administered by the office of the
 38 governor.

39 The amount appropriated to the racing purse enhancement line item
 40 shall be distributed to a recognized nonprofit horsemen's organization
 41 that has represented since 1988 the horsemen participating in racing
 42 meetings to be used to promote racing and enhance the general purse
 43 structure for eligible horse races held in this state.

44 On or before August 1, 2023, the department of gaming shall report
 45 to the directors of the joint legislative budget committee and the

governor's office of strategic planning and budgeting on the expected amount and purpose of expenditures from the event wagering fund established by section 5-1318, Arizona Revised Statutes, for fiscal year 2023-2024. The report shall include the projected line item detail and the number of filled full-time equivalent positions.

On or before the final day of each quarter of fiscal year 2023-2024, the department of gaming shall report to the members of the joint legislative budget committee on the number of equine deaths and injuries that occurred as a result of a horse race and the commercial live racing facility where each incident occurred. The report shall include the number of pre-race inspections performed by a veterinarian employed by or contracted with this state.

The amount appropriated to the horseracing integrity and safety act assessment line item shall be distributed to commercial live racing permittees during fiscal year 2023-2024 to pay the calendar year 2023 assessment levied by the horseracing integrity and safety authority. If the appropriated amount for the horseracing integrity act assessment line item is insufficient to fund all assessments levied by the horseracing integrity and safety authority, the department shall reduce the distribution amounts on a proportional basis in order to cap total statewide distributions at \$355,100. The distributions for fiscal year 2023-2024 are estimated to be \$309,300 to a commercial live racing permittee located in Maricopa county and \$45,800 to a commercial live racing permittee located in Yavapai county.

Sec. 42. OFFICE OF THE GOVERNOR

	<u>2023-24</u>
Operating lump sum appropriation	\$ 9,922,700*
Missing and murdered indigenous people task force	1,000,000
Foster youth education success fund deposit	<u>1,500,000</u>
Total appropriation – office of the governor	\$ 12,422,700

Fund sources:

State general fund	\$ 12,422,700
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Included in the operating lump sum appropriation of \$9,922,700 for fiscal year 2023-2024 is \$10,000 for the purchase of mementos and items for visiting officials.

Sec. 43. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

	<u>2023-24</u>
FTE positions	22.0
Lump sum appropriation	\$ 2,961,400*
Fund sources:	
State general fund	\$ 2,961,400

1	Sec. 44. DEPARTMENT OF HEALTH SERVICES	
2		<u>2023-24</u>
3	FTE positions	1,145.0
4	Operating lump sum appropriation	\$ 60,922,300
5	<u>Public health/family health</u>	
6	Adult cystic fibrosis care	105,200
7	AIDS reporting and surveillance	1,000,000
8	Alzheimer's disease research	4,125,000
9	Behavioral health care provider	
10	loan repayment program	1,000,000
11	Biomedical research support	2,000,000
12	Breast and cervical cancer and	
13	bone density screening	1,369,400
14	Collaborative care uptake	
15	fund deposit	1,000,000
16	County tuberculosis provider	
17	care and control	590,700
18	Dementia awareness campaign	500,000*
19	Dementia services program and	
20	Alzheimer's disease state plan	964,100
21	Fentanyl testing strips and	
22	mass spectrometers	300,000
23	Folic acid program	400,000
24	Health crisis review centers and	
25	wraparound services	5,000,000
26	High-risk perinatal services	2,343,400
27	Newborn screening program	12,388,500
28	Nonrenal disease management	198,000
29	Arizona nurse education investment	
30	pilot program	15,000,000
31	Nursing care special projects	200,000
32	Poison control centers funding	990,000
33	Preceptor grant program for graduate	
34	students	500,000
35	Psilocybin research	5,000,000
36	Renal dental care and nutrition	
37	supplements	300,000
38	Renal transplant drugs	183,000
39	Trauma recovery center fund deposit	7,000,000
40	<u>Arizona state hospital</u>	
41	Arizona state hospital –	
42	operating	87,043,700

1	Arizona state hospital –	
2	restoration to competency	900,000
3	Arizona state hospital –	
4	sexually violent persons	<u>10,951,800</u>
5	Total appropriation – department of	
6	health services	\$222,275,100
7	Fund sources:	
8	State general fund	\$164,233,600
9	Arizona state hospital fund	3,145,800
10	Arizona state hospital land fund	650,000
11	Child fatality review fund	196,500
12	Disease control research fund	1,000,000
13	DHS indirect cost fund	12,298,700
14	Emergency medical services	
15	operating fund	4,167,900
16	Environmental laboratory licensure	
17	revolving fund	1,001,700
18	Federal child care and development	
19	fund block grant	998,600
20	Health services licensing fund	16,960,500
21	Newborn screening program fund	12,821,300
22	Nursing care institution resident	
23	protection revolving fund	238,200
24	Tobacco tax and health care	
25	fund – medically needy account	700,000
26	Vital records electronic systems	
27	fund	3,862,300

28 Public health/family health

29 Of the amount appropriated for the operating lump sum, \$100,000
 30 shall be used for a suicide prevention coordinator to assist school
 31 districts and charter schools in suicide prevention efforts. On or before
 32 September 1, 2024, the department of health services, in consultation with
 33 the department of education, shall report to the governor, the president
 34 of the senate, the speaker of the house of representatives, the director
 35 of the joint legislative budget committee and the director of the
 36 governor's office of strategic planning and budgeting on the suicide
 37 prevention coordinator's accomplishments in fiscal year 2023-2024.

38 The department of health services may use up to four percent of the
 39 amount appropriated for nonrenal disease management for the administrative
 40 costs to implement the program.

41 The appropriated amount for the dementia services program and
 42 Alzheimer's disease state plan line item is exempt from the provisions of
 43 section 35-190, Arizona Revised Statutes, relating to lapsing of
 44 appropriations, until June 30, 2026. The legislature intends that the
 45 appropriation be used for fiscal years 2023-2024, 2024-2025 and 2025-2026.

The department of health services shall distribute monies appropriated for the biomedical research support line item to a nonprofit medical research institute headquartered in this state that specializes in biomedical research focusing on applying genomic technologies and sequencing to clinical care, that has served as a resource to this state to conduct molecular epidemiologic analyses to assist with disease outbreak investigations and that collaborates with universities, hospitals and health science research centers and other public and private bioscience and related industries in this state. The recipient of these monies shall commission an audit of the expenditure of these monies and shall submit a copy of the audit to the department of health services on or before February 1, 2025.

The department of health services shall distribute monies appropriated for Alzheimer's disease research through a grant to a charitable organization that is qualified under section 501(c)(3) of the internal revenue code and that meets the following criteria:

1. Is headquartered in this state.
2. Has been operating in this state for at least the last ten years.
3. Has participating member institutions that work together to end Alzheimer's disease within a statewide collaborative model by using their complementary strengths in brain imaging, computer science, genomics, basic and cognitive neurosciences and clinical and neuropathology research.
4. Has participating member institutions that educate residents of this state about Alzheimer's disease, research progress and resources to help patients, families and professionals manage the disease.

The terms of the grant made to the charitable organization may not impose any requirements that were not imposed in prior grant agreements entered into between the department of health services and the charitable organization.

Of the amount appropriated to the department of health services for the behavioral health care provider loan repayment program in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 44, \$1,000,000 from the state general fund is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024.

The amount appropriated to the department of health services for the preceptor grant program for graduate students is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations. Any monies remaining unexpended on July 1, 2026 revert to the state general fund.

The amount appropriated in the trauma recovery center fund deposit line item shall be deposited in the trauma recovery center fund established by section 36-4102, Arizona Revised Statutes and is appropriated from the fund for the purposes of that section. Not more than five percent of the monies deposited in the fund may be used by the department of health services to administer the fund. The department shall use the remaining monies to provide all of the following:

1. A technical assistance grant to help establish, train and coordinate a state pilot trauma recovery center.

2. Three years of operational and service costs of the state pilot trauma recovery center.

3. A grant to a public research institution to track data and outcomes of the state pilot trauma recovery center and to produce a report at the conclusion of the pilot.

Arizona state hospital

In addition to the appropriation for the department of health services, earnings on state lands and interest on the investment of the permanent state land funds are appropriated to the Arizona state hospital in compliance with the enabling act and the Constitution of Arizona.

Departmentwide

The department of health services shall electronically forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior-year totals on or before the thirtieth of the following month. Each report shall include an estimate of potential shortfalls in programs, potential federal and other monies, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 45. ARIZONA HISTORICAL SOCIETY

	<u>2023-24</u>
FTE positions	50.9
Operating lump sum appropriation	\$ 2,585,100
Field services and grants	65,800
Papago park museum	<u>563,800</u>
Total appropriation – Arizona historical society	\$ 3,214,700
Fund sources:	
State general fund	\$ 3,214,700

1 Sec. 46. PRESCOTT HISTORICAL SOCIETY
 2 2023-24
 3 FTE positions 13.0
 4 Lump sum appropriation \$ 1,016,100
 5 Fund sources:
 6 State general fund \$ 1,016,100
 7 Sec. 47. ARIZONA DEPARTMENT OF HOMELAND SECURITY
 8 2023-24
 9 FTE positions 20.0
 10 Statewide information security
 11 and privacy operations and
 12 controls \$ 11,325,300
 13 Antihuman trafficking grant
 14 fund deposit 10,000,000
 15 Arizona state nonprofit security grant
 16 program fund deposit 5,000,000
 17 Statewide cybersecurity grants 10,000,000
 18 Total appropriation – Arizona department of
 19 homeland security \$ 36,325,300
 20 Fund sources:
 21 State general fund \$ 25,000,000
 22 Information technology fund 11,325,300
 23 Of the amount appropriated for statewide cybersecurity grants, the
 24 Arizona department of homeland security may spend up to \$310,000 for grant
 25 administration.
 26 The amount appropriated in the antihuman trafficking grant fund
 27 deposit line item shall be deposited in the antihuman trafficking grant
 28 fund. The Arizona department of homeland security shall distribute these
 29 monies as follows:
 30 1. \$2,000,000 to the department of public safety Arizona counter
 31 terrorism information center for antihuman trafficking operations that
 32 work to reduce human trafficking by providing assistance and analytical
 33 services to law enforcement agencies or that provide services to victims
 34 and training to law enforcement agencies, prosecutorial agencies and the
 35 public on preventing and identifying human trafficking.
 36 2. \$8,000,000 in award grants to municipal and county law
 37 enforcement agencies, not to exceed \$500,000 per agency, for programs that
 38 reduce human trafficking.
 39 The amount appropriated in the nonprofit security grant program fund
 40 deposit line item shall be deposited in the nonprofit security grant
 41 program fund. Not more than five percent of the monies deposited in the
 42 fund may be used by the Arizona department of homeland security to
 43 administer the nonprofit security grant program.

Of the amount appropriated in the statewide information security and privacy operations and controls line item in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 47, \$300,000 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2024.

Sec. 48. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

		<u>2023-24</u>
FTE positions		1.0
Lump sum appropriation	\$	51,900
Fund sources:		
Board of homeopathic and integrated medicine examiners' fund	\$	51,900

Sec. 49. ARIZONA DEPARTMENT OF HOUSING

		<u>2023-24</u>
FTE positions		3.0
Operating lump sum appropriation	\$	367,400
Housing trust fund deposit		150,000,000
Homeless shelter and services fund deposit		40,000,000
Mobile home relocation fund deposit		5,000,000
Military transitional housing fund deposit		<u>1,900,000</u>
Total appropriation – Arizona department of housing	\$	197,267,400
Fund sources:		
State general fund	\$	196,900,000
Housing trust fund		367,400

The amount appropriated to the Arizona department of housing for the homeless services grant pilot in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 49 from the state general fund is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024.

On or before September 1, 2023, the department shall submit an expenditure plan report to the joint legislative budget committee for the monies deposited pursuant to this section in the housing trust fund established by section 41-3955, Arizona Revised Statutes.

Sec. 50. INDUSTRIAL COMMISSION OF ARIZONA

		<u>2023-24</u>
FTE positions		236.6
Operating lump sum appropriation	\$	21,976,700
Municipal firefighter reimbursement administration		<u>84,600</u>
Total appropriation – industrial commission of Arizona	\$	22,061,300

1 Fund sources:

2 State general fund \$ 84,600

3 Administrative fund 21,976,700

4 The legislature intends that the state general fund appropriation be
5 used only for administrative costs of title 23, chapter 11, Arizona
6 Revised Statutes, and that this appropriation does not convey any
7 responsibility for firefighter cancer compensation and benefits claims to
8 this state.

9 Sec. 51. DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

10 2023-24

11 FTE positions 155.4

12 Operating lump sum appropriation \$ 12,363,900

13 Arizona vehicle theft task force 4,521,200

14 Automobile theft authority

15 operating budget 699,400

16 Insurance fraud unit 1,851,400

17 Local grants 1,388,900

18 Reimbursable programs 50,000

19 Total appropriation – department of insurance

20 and financial institutions \$ 20,874,800

21 Fund sources:

22 State general fund \$ 8,463,000

23 Automobile theft authority fund 6,813,600

24 Financial services fund 5,547,900

25 Department revolving fund 50,300

26 Of the monies appropriated to the department of insurance and
27 financial institutions in the operating lump sum appropriation, \$250,000
28 shall be used to administer the provisions of a bill addressing insurance
29 provider claims against insurers if the bill becomes law in the first
30 regular session of the fifty-sixth legislature. These monies revert to
31 the state general fund if a bill addressing provider claims against
32 insurers does not become law in the first regular session of the
33 fifty-sixth legislature.

34 Monies in the Arizona vehicle theft task force line item shall be
35 used by the department of insurance and financial institutions to pay
36 seventy-five percent of the personal services and employee-related
37 expenditures for city, town and county sworn officers who participate in
38 the Arizona vehicle theft task force.

39 Local grants shall be awarded with consideration given to areas with
40 greater automobile theft problems and shall be used to combat economic
41 automobile theft operations.

The department of insurance and financial institutions shall submit a report to the joint legislative budget committee before spending any monies for the reimbursable programs line item. The department shall show sufficient monies collected to cover the expenses indicated in the report.

Of the department fees required to be deposited in the state general fund by statute, the legislature intends that the department of insurance and financial institutions shall assess and set the fees at a level to ensure that the monies deposited in the state general fund will equal or exceed the department's expenditure from the state general fund.

Sec. 52. ARIZONA JUDICIARY

	<u>2023-24</u>
<u>Supreme court</u>	
FTE positions	205.0
Operating lump sum appropriation	\$ 18,543,200
Arizona trial and digital evidence fund deposit	1,620,000
Automation	23,893,700
County reimbursements	187,900
Court appointed special advocate	5,053,100
Courthouse security	750,000
Digital evidence software	280,000
Domestic relations	693,100
State foster care review board	3,535,700
Commission on judicial conduct	733,300
Judicial nominations and performance review	614,000
Juvenile monetary sanctions funding backfill	250,000
Model court	659,700
State aid	<u>5,950,700</u>
Total appropriation – supreme court	\$ 62,764,400
Fund sources:	
State general fund	\$ 29,496,900
Confidential intermediary and fiduciary fund	686,100
Court appointed special advocate fund	5,233,000
Criminal justice enhancement fund	4,722,800
Defensive driving school fund	4,487,700
Judicial collection enhancement fund	15,191,400
State aid to the courts fund	2,946,500

On or before September 1, 2023, the supreme court shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on current and future automation projects coordinated by the administrative office of the courts. The report shall include a list of court automation projects that receive or are anticipated to receive state monies in the current or next two fiscal years as well as a description of each project, the number of FTE positions, the entities involved and the goals and anticipated results for each automation project. The report shall be submitted in one summary document. The report shall indicate each project's total multiyear cost by fund source and budget line item, including any prior-year, current-year and future-year expenditures.

Automation expenses of the judiciary shall be funded only from the automation line item. Monies in the operating lump sum appropriation or other line items intended for automation purposes shall be transferred to the automation line item before expenditure.

Included in the operating lump sum appropriation for the supreme court is \$1,000 for the purchase of mementos and items for visiting officials.

Of the \$187,900 appropriated for county reimbursements, state grand jury is limited to \$97,900 and capital postconviction relief is limited to \$90,000.

The legislature intends that the \$250,000 appropriation to the juvenile monetary sanctions funding backfill line item continues in fiscal years 2024-2025 and 2025-2026. These monies may only be spent if legislation that eliminates court-ordered fees for juveniles, except for victim restitution and specified driving under the influence offenses, is enacted into law.

Court of appeals

FTE positions	162.8
Division one	\$ 16,186,100
Division two	<u>8,312,300</u>
Total appropriation – court of appeals	\$ 24,498,400
Fund sources:	
State general fund	\$ 24,498,400

Of the 162.8 FTE positions for fiscal year 2023-2024, 111.3 FTE positions are for division one and 51.5 FTE positions are for division two.

Of the amount appropriated for the operating lump sum for division two in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 52, \$450,000 from the state general fund is for the remodeling of chambers to accommodate a new three-judge court of appeals panel, is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2024 and notwithstanding

section 41-1252, Arizona Revised Statutes, is not subject to review by the joint committee on capital review.

Superior court

FTE positions	240.5
Operating lump sum appropriation	\$ 5,338,600
Judges' compensation	28,213,100
Centralized service payments	4,631,300
Probation salary increase backfill	6,749,200
Adult standard probation	22,297,500
Adult intensive probation	13,150,200
Community punishment	2,310,300
Court-ordered removals	315,000
Interstate compact	513,700
Drug court	1,096,400
General adjudication personnel	
and support fund deposit	2,000,000
Juvenile standard probation	3,781,800
Juvenile intensive probation	6,087,200
Juvenile treatment services	20,803,000
Juvenile family counseling	500,000
Juvenile crime reduction	3,313,100
Juvenile diversion consequences	9,088,500
Probation incentive payments	1,000,000
Special water master	<u>505,300</u>
Total appropriation – superior court	\$131,694,200
Fund sources:	
State general fund	\$119,680,200
Criminal justice enhancement fund	5,494,400
Drug treatment and education fund	504,200
Judicial collection enhancement	
fund	6,015,400

Operating budget

All expenditures made by the administrative office of the courts to administer superior court line items shall be funded only from the superior court operating budget. Monies in superior court line items intended for this purpose shall be transferred to the superior court operating budget before expenditure.

Judges

Of the 240.5 FTE positions, 182 FTE positions represent superior court judges. This FTE position clarification does not limit the counties' ability to add judges pursuant to section 12-121, Arizona Revised Statutes.

All monies in the judges' compensation line item shall be used to pay for fifty percent of superior court judges' salaries, elected officials' retirement plan costs and related state benefit costs for judges pursuant to section 12-128, Arizona Revised Statutes. Monies in the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the judges' compensation line item before expenditure.

Probation

Monies appropriated to juvenile treatment services and juvenile diversion consequences shall be deposited in the juvenile probation services fund established by section 8-322, Arizona Revised Statutes.

Receipt of state probation monies by the counties is contingent on the county maintenance of fiscal year 2019-2020 expenditure levels for each probation program. State probation monies are not intended to supplant county dollars for probation programs.

On or before November 1, 2023, the administrative office of the courts shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting the fiscal year 2022-2023 actual, fiscal year 2023-2024 estimated and fiscal year 2024-2025 requested amounts for each of the following:

1. On a county-by-county basis, the number of authorized and filled case carrying probation positions and non-case carrying probation positions, distinguishing between adult standard, adult intensive, juvenile standard and juvenile intensive. The report shall indicate the level of state probation funding, other state funding, county funding and probation surcharge funding for those positions.

2. Total receipts and expenditures by county and fund source for the adult standard, adult intensive, juvenile standard and juvenile intensive probation line items, including the amount of personal services spent from each revenue source of each account.

All centralized service payments made by the administrative office of the courts on behalf of counties shall be funded only from the centralized service payments line item. Centralized service payments include only training, motor vehicle payments, CORP review board funding, LEARN funding, research, operational reviews and GPS vendor payments. This footnote does not apply to treatment or counseling services payments made from the juvenile treatment services and juvenile diversion consequences line items. Monies in the operating lump sum appropriation or other line items intended for centralized service payments shall be transferred to the centralized service payments line item before expenditure.

All monies in the adult standard probation, adult intensive probation, community punishment, interstate compact, juvenile standard probation, juvenile intensive probation, juvenile treatment services, juvenile diversion consequences, juvenile crime reduction and probation incentive payments line items shall be used only as pass-through monies to county probation departments. Monies in the operating lump sum appropriation or other line items intended as pass-through for the purpose of administering a county probation program shall be transferred to the appropriate probation line item before expenditure.

On or before November 1, 2023, the administrative office of the courts shall submit a report to the joint legislative budget committee on the county-approved salary adjustments provided to probation officers since the last report on November 1, 2022. The administrative office shall also submit a copy of the report to the governor's office of strategic planning and budgeting. The report shall include, for each county, the:

1. Approved percentage salary increase by year.

2. Net increase in the amount allocated to each probation department by the administrative office of the courts for each applicable year.

3. Average number of probation officers by applicable year.

4. Average salary of probation officers for each applicable year.

If the counties approve probation officer step or inflation salary increases in fiscal year 2023-2024 that increase the state's cost above the amounts appropriated to the adult standard probation, adult intensive probation, interstate compact, drug court, juvenile standard probation, juvenile intensive probation, juvenile treatment services and juvenile diversion consequences line items, the legislature intends that the counties absorb any additional cost to this state in fiscal year 2023-2024 and subsequent years.

The amount appropriated to the probation salary increase backfill line item shall be used as backfill funding to cover the remaining state share of probation officer salary increases approved by county boards of supervisors for fiscal year 2022-2023.

Sec. 53. DEPARTMENT OF JUVENILE CORRECTIONS

	<u>2023-24</u>
FTE positions	738.5
Lump sum appropriation	\$ 45,096,500
Fund sources:	
State general fund	\$ 31,753,400
State charitable, penal and reformatory institutions	
land fund	4,125,400

1 Criminal justice enhancement fund 538,500
 2 State education fund for committed
 3 youth 1,955,200
 4 Department of juvenile corrections
 5 local cost sharing fund 6,724,000
 6 Twenty-five percent of land earnings and interest from the state
 7 charitable, penal and reformatory institutions land fund shall be
 8 distributed to the department of juvenile corrections, in compliance with
 9 section 25 of the enabling act and the Constitution of Arizona, to be used
 10 to support state juvenile institutions and reformatories.
 11 Sec. 54. STATE LAND DEPARTMENT
 12 2023-24
 13 FTE positions 131.7
 14 Operating lump sum appropriation \$ 17,378,700
 15 Natural resource conservation
 16 districts 650,000
 17 CAP user fees 1,700,000
 18 Due diligence program 5,000,000
 19 Streambed navigability litigation 220,000
 20 Total appropriation – state land department \$ 24,948,700
 21 Fund sources:
 22 State general fund \$ 13,159,300
 23 Environmental special plate fund 260,600
 24 Due diligence fund 5,000,000
 25 Trust land management fund 6,528,800
 26 The appropriation includes \$1,700,000 for CAP user fees in fiscal
 27 year 2023-2024. For fiscal year 2023-2024, from municipalities that
 28 assume their allocation of central Arizona project water for every dollar
 29 received as reimbursement to this state for past central Arizona water
 30 conservation district payments, \$1 reverts to the state general fund in
 31 the year that the reimbursement is collected.
 32 Of the amount appropriated for natural resource conservation
 33 districts in fiscal year 2023-2024, \$30,000 shall be used to provide
 34 grants to natural resource conservation districts environmental education
 35 centers.
 36 Sec. 55. LEGISLATURE
 37 2023-24
 38 Senate
 39 Lump sum appropriation \$ 20,385,300*
 40 Fund sources:
 41 State general fund \$ 20,385,300
 42 Included in the lump sum appropriation of \$20,385,300 for fiscal
 43 year 2023-2024 is \$5,000 for the purchase of mementos and items for
 44 visiting officials.

1 House of representatives

2 Lump sum appropriation \$ 24,020,300*

3 Fund sources:

4 State general fund \$ 24,020,300

5 Included in the lump sum appropriation of \$24,020,300 for fiscal
6 year 2023-2024 is \$5,000 for the purchase of mementos and items for
7 visiting officials.

8 Legislative council

9 FTE positions 56.0

10 Lump sum appropriation \$ 9,546,500*

11 Fund sources:

12 State general fund \$ 9,546,500

13 Ombudsman-citizens aide office

14 FTE positions 12.0

15 Lump sum appropriation \$ 1,569,200*

16 Fund sources:

17 State general fund \$ 1,569,200

18 The legislature intends that the ombudsman-citizens aide prioritize
19 investigating and processing complaints relating to the department of
20 child safety.

21 The operating budget includes \$137,500 and 1 FTE position to address
22 complaints relating to the administration of the Arizona empowerment
23 scholarship account program established by section 15-2402, Arizona
24 Revised Statutes.

25 Joint legislative budget committee

26 FTE positions 29.0

27 Lump sum appropriation \$ 3,144,500*

28 Fund sources:

29 State general fund \$ 3,144,500

30 Auditor general

31 FTE positions 224.8

32 Lump sum appropriation \$ 28,491,600*

33 Fund sources:

34 State general fund \$ 28,491,600

35 Of the amount appropriated for the lump sum appropriation, the
36 auditor general shall use \$3,300,000 for additional agency performance
37 audits and school district audits.

38 Sec. 56. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

39 2023-24

40 FTE positions 58.2

41 Lump sum appropriation \$ 6,555,200

42 Fund sources:

43 Liquor licenses fund \$ 6,555,200

1	Sec. 57. ARIZONA STATE LOTTERY COMMISSION	
2		<u>2023-24</u>
3	FTE positions	98.8
4	Operating lump sum appropriation	\$ 10,468,900
5	Advertising	<u>15,500,000</u>
6	Total appropriation – Arizona state	
7	lottery commission	\$ 25,968,900
8	Fund sources:	
9	State lottery fund	\$ 25,968,900
10	An amount equal to twenty percent of tab ticket sales is	
11	appropriated to pay sales commissions to charitable organizations. This	
12	amount is currently estimated to be \$1,768,000 in fiscal year 2023-2024.	
13	An amount equal to 3.6 percent of actual instant ticket sales is	
14	appropriated to print instant tickets or to pay contractual obligations	
15	concerning instant ticket distribution. This amount is currently	
16	estimated to be \$37,965,000 in fiscal year 2023-2024.	
17	An amount equal to a percentage of actual online game sales as	
18	determined by contract is appropriated to pay online vendor fees. This	
19	amount is currently estimated to be \$16,041,700, or 4.256 percent of	
20	actual online ticket sales, in fiscal year 2023-2024.	
21	An amount equal to 6.5 percent of gross lottery game sales, minus	
22	charitable tab tickets, is appropriated to pay sales commissions to ticket	
23	retailers. An additional amount not to exceed 0.5 percent of gross	
24	lottery game sales is appropriated to pay sales commissions to ticket	
25	retailers. The combined amount is currently estimated to be 6.7 percent	
26	of total ticket sales, or \$95,318,500 in fiscal year 2023-2024.	
27	Sec. 58. BOARD OF MASSAGE THERAPY	
28		<u>2023-24</u>
29	FTE positions	5.0
30	Lump sum appropriation	\$ 595,900
31	Fund sources:	
32	Board of massage therapy fund	\$ 595,900
33	Sec. 59. ARIZONA MEDICAL BOARD	
34		<u>2023-24</u>
35	FTE positions	61.5
36	Operating lump sum appropriation	\$ 8,023,600
37	Employee performance incentive	
38	program	<u>165,600</u>
39	Total appropriation – Arizona medical	
40	board	\$ 8,189,200
41	Fund sources:	
42	Arizona medical board fund	\$ 8,189,200

1 Sec. 60. STATE MINE INSPECTOR

2			<u>2023-24</u>
3	FTE positions		22.0
4	Operating lump sum appropriation	\$	1,833,400
5	Abandoned mines		820,600
6	Aggregate mining land reclamation		<u>181,800</u>
7	Total appropriation – state mine inspector	\$	2,835,800

8 Fund sources:

9	State general fund	\$	2,722,900
10	Aggregate mining reclamation fund		112,900

11 All aggregate mining reclamation fund monies received by the state
 12 mine inspector in excess of \$112,900 in fiscal year 2023-2024 are
 13 appropriated to the aggregate mining land reclamation line item. Before
 14 spending any aggregate mining reclamation fund monies in excess of
 15 \$112,900 in fiscal year 2023-2024, the state mine inspector shall report
 16 the intended use of the monies to the joint legislative budget committee
 17 and the governor's office of strategic planning and budgeting.

18 Of the amount appropriated in the operating lump sum, the state mine
 19 inspector shall use \$100,000 to purchase a drone that uses
 20 self-stabilization technology and that is capable of entering and mapping
 21 enclosed spaces.

22 Of the amount appropriated in the operating lump sum, \$300,000 is
 23 for a onetime increase from the state general fund in fiscal year
 24 2023-2024 for onetime operating expenses. The \$300,000 is exempt from the
 25 provisions of section 35-190, Arizona Revised Statutes, relating to
 26 lapsing of appropriations.

27 Sec. 61. NATUROPATHIC PHYSICIANS MEDICAL BOARD

28			<u>2023-24</u>
29	FTE positions		2.0
30	Lump sum appropriation	\$	215,200

31 Fund sources:

32	Naturopathic physicians medical		
33	board fund	\$	215,200

34 Sec. 62. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

35			<u>2023-24</u>
36	FTE positions		2.0
37	Lump sum appropriation	\$	344,200

38 Fund sources:

39	State general fund	\$	144,200
40	Arizona water banking fund		200,000

1	Sec. 63.	ARIZONA STATE BOARD OF NURSING	
2			<u>2023-24</u>
3		FTE positions	55.0
4		Operating lump sum appropriation	\$ 5,647,500
5		Student registered nurse anesthetist	
6		clinical rotation program	200,000
7		Certified nursing assistant	
8		credentialing program	<u>538,400</u>
9	Total appropriation – Arizona state		
10		board of nursing	\$ 6,385,900
11	Fund sources:		
12		State general fund	\$ 200,000
13		Board of nursing fund	6,185,900
14	Sec. 64.	BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS	
15		AND ASSISTED LIVING FACILITY MANAGERS	
16			<u>2023-24</u>
17		FTE positions	7.0
18		Lump sum appropriation	\$ 595,600
19	Fund sources:		
20		Nursing care institution	
21		administrators' licensing and	
22		assisted living facility	
23		managers' certification fund	\$ 595,600
24	Sec. 65.	BOARD OF OCCUPATIONAL THERAPY EXAMINERS	
25			<u>2023-24</u>
26		FTE positions	1.5
27		Lump sum appropriation	\$ 243,200
28	Fund sources:		
29		Occupational therapy fund	\$ 243,200
30	Sec. 66.	STATE BOARD OF DISPENSING OPTICIANS	
31			<u>2023-24</u>
32		FTE positions	1.0
33		Lump sum appropriation	\$ 186,900
34	Fund sources:		
35		Board of dispensing opticians fund	\$ 186,900
36	Sec. 67.	STATE BOARD OF OPTOMETRY	
37			<u>2023-24</u>
38		FTE positions	2.0
39		Lump sum appropriation	\$ 291,300
40	Fund sources:		
41		Board of optometry fund	\$ 291,300

1 Sec. 68. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

2		<u>2023-24</u>
3	FTE positions	10.0
4	Lump sum appropriation	\$ 1,394,600
5	Fund sources:	
6	Arizona board of osteopathic	
7	examiners in medicine	
8	and surgery fund	\$ 1,394,600

9 Sec. 69. ARIZONA STATE PARKS BOARD

10		<u>2023-24</u>
11	FTE positions	167.0
12	Operating lump sum appropriation	\$ 16, 473,300
13	Arizona trail fund deposit	500,000
14	Arizona state parks heritage	
15	fund deposit	6,000,000
16	State lake improvement	
17	fund deposit	5,200,000
18	State parks store	1,011,300
19	Kartchner caverns state park	<u>2,534,900</u>
20	Total appropriation – Arizona state parks	
21	board	\$ 31,719,500
22	Fund sources:	
23	State general fund	\$ 11,700,000
24	State parks revenue fund	18,991,500
25	State parks store fund	1,011,300
26	Off-highway vehicle recreation fund	16,700

27 In addition to the operating lump sum appropriation, an amount equal
 28 to the revenue share agreement with the United States forest service for
 29 Fool Hollow Lake recreation area is appropriated to the Arizona state
 30 parks board from the state parks revenue fund established by section
 31 41-511.21, Arizona Revised Statutes.

32 Sec. 70. STATE PERSONNEL BOARD

33		<u>2023-24</u>
34	FTE positions	2.0
35	Lump sum appropriation	\$ 345,000
36	Fund sources:	
37	Personnel division fund –	
38	personnel board subaccount	\$ 345,000

39 Sec. 71. ARIZONA STATE BOARD OF PHARMACY

40		<u>2023-24</u>
41	FTE positions	25.4
42	Operating lump sum appropriation	\$ 3,385,000
43	Prescriber report card	<u>50,000</u>
44	Total appropriation – Arizona state	
45	board of pharmacy	\$ 3,435,000

1	Fund sources:	
2	Arizona state board of pharmacy	
3	fund	\$ 3,435,000
4	Sec. 72. BOARD OF PHYSICAL THERAPY	
5		<u>2023-24</u>
6	FTE positions	4.0
7	Lump sum appropriation	\$ 587,500
8	Fund sources:	
9	Board of physical therapy fund	\$ 587,500
10	Sec. 73. ARIZONA PIONEERS' HOME	
11		<u>2023-24</u>
12	FTE positions	107.3
13	Lump sum appropriation	\$ 8,311,300
14	Fund sources:	
15	Miners' hospital for miners with	
16	disabilities land fund	\$ 2,318,600
17	State charitable fund	5,992,700
18	Earnings on state lands and interest on the investment of the	
19	permanent land funds are appropriated for the Arizona pioneers' home and	
20	the state hospital for miners with disabilities in compliance with the	
21	enabling act and the Constitution of Arizona.	
22	Sec. 74. STATE BOARD OF PODIATRY EXAMINERS	
23		<u>2023-24</u>
24	FTE positions	1.0
25	Lump sum appropriation	\$ 193,200
26	Fund sources:	
27	Podiatry fund	\$ 193,200
28	Sec. 75. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
29		<u>2023-24</u>
30	FTE positions	4.0
31	Lump sum appropriation	\$ 451,300
32	Fund sources:	
33	Board for private postsecondary	
34	education fund	\$ 451,300
35	Sec. 76. STATE BOARD OF PSYCHOLOGIST EXAMINERS	
36		<u>2023-24</u>
37	FTE positions	4.5
38	Lump sum appropriation	\$ 635,300
39	Fund sources:	
40	Board of psychologist examiners	
41	fund	\$ 635,300

1	Sec. 77. DEPARTMENT OF PUBLIC SAFETY	
2		<u>2023-24</u>
3	FTE positions	2,105.7
4	Operating lump sum appropriation	\$281,533,100
5	ACTIC	1,450,000
6	AZPOST	6,576,000
7	Border drug interdiction	17,145,900
8	Local border support	12,232,900
9	Civil air patrol infrastructure	10,000,000*
10	Civil air patrol maintenance and	
11	operations	150,000
12	Department of public safety	
13	crime lab assistance	400,000
14	Fentanyl prosecution, diversion	
15	and testing fund deposit	3,000,000
16	GIITEM	25,329,700
17	GIITEM subaccount	2,396,400
18	Land mobile radio expansion	
19	and upgrades	44,100,000*
20	Law enforcement retention	
21	initiatives	2,000,000
22	Major incident division	17,000,000*
23	Motor vehicle fuel	9,125,800
24	Onetime vehicle replacement	11,709,300
25	Pharmaceutical diversion and	
26	drug theft task force	769,100
27	Public safety equipment	2,890,000
28	Real-time crime centers	4,100,000
29	Sexual assault kit tracking portal	<u>1,500,000</u>
30	Total appropriation – department of public	
31	safety	\$453,408,200
32	Fund sources:	
33	State general fund	\$364,293,000
34	State highway fund	8,166,700
35	Arizona highway patrol fund	38,214,500
36	Criminal justice enhancement fund	2,989,100
37	Department of public safety	
38	forensics fund	22,985,300
39	Gang and immigration intelligence	
40	team enforcement mission border	
41	security and law enforcement	
42	subaccount	2,396,400

1	Motorcycle safety fund	198,900
2	Motor vehicle liability insurance	
3	enforcement fund	1,032,000
4	Risk management revolving fund	1,396,900
5	Parity compensation fund	4,088,100
6	Public safety equipment fund	2,894,000
7	Concealed weapons permit fund	3,172,200
8	Fingerprint clearance card fund	1,581,100

9 Of the \$25,329,700 appropriated to the GIITEM line item, \$13,275,800
 10 shall be used for one hundred department of public safety GIITEM
 11 personnel. The additional staff shall include at least fifty sworn
 12 department of public safety positions to be used for immigration
 13 enforcement and border security and fifty department of public safety
 14 positions to assist GIITEM in various efforts, including:

15 1. Strictly enforcing all federal laws relating to illegal aliens
 16 and arresting illegal aliens.

17 2. Responding to or assisting any county sheriff or attorney in
 18 investigating complaints of employment of illegal aliens.

19 3. Enforcing Arizona's law known as the Legal Arizona Workers Act,
 20 strictly enforcing Arizona's SB 1070, Arizona's "Support Our Law
 21 Enforcement and Safe Neighborhoods Act" and investigating crimes of
 22 identity theft in the context of hiring illegal aliens and the unlawful
 23 entry into this country.

24 4. Taking strict enforcement action.

25 Any change in the GIITEM mission or allocation of monies shall be
 26 approved by the joint legislative budget committee. The department shall
 27 submit an expenditure plan to the joint legislative budget committee for
 28 review before expending any monies not identified in the department's
 29 previous expenditure plans.

30 Of the \$25,329,700 appropriated to the GIITEM line item, only
 31 \$1,403,400 is deposited in the GIITEM fund established by section 41-1724,
 32 Arizona Revised Statutes, and is appropriated for the purposes of that
 33 section. The \$1,403,400 is exempt from the provisions of section 35-190,
 34 Arizona Revised Statutes, relating to lapsing of appropriations. This
 35 state recognizes that states have inherent authority to arrest a person
 36 for any immigration violation.

37 Any monies remaining in the department of public safety joint
 38 account on June 30, 2024 revert to the funds from which they were
 39 appropriated. The reverted monies shall be returned in direct proportion
 40 to the amounts appropriated.

41 On or before September 1, 2023, the department of public safety
 42 shall submit an expenditure plan for the local border support line item to
 43 the joint legislative budget committee and the governor's office of
 44 strategic planning and budgeting.

1 The \$12,232,900 appropriated for the local border support line item
2 shall be used to fund local law enforcement officer positions for border
3 drug interdiction to deter and apprehend any individuals who are charged
4 with drug trafficking, human smuggling, illegal immigration and other
5 border-related crimes. The monies shall also be used for grants to
6 cities, towns and counties for costs associated with prosecuting and
7 detaining individuals who are charged with drug trafficking, human
8 smuggling, illegal immigration and other border-related crimes. The
9 department may fund all capital-related equipment.

10 Until all of the monies in the civil air patrol infrastructure line
11 item have been distributed, on or before December 1 of each year, the
12 department of public safety shall submit a report to the joint legislative
13 budget committee on the monies distributed from the civil air patrol
14 infrastructure line item and the intended purposes of the distributions.

15 Of the amount appropriated for the department of public safety
16 onetime vehicle replacement line item in fiscal year 2022-2023 pursuant to
17 Laws 2022, chapter 313, section 77, \$11,709,300 from the state general
18 fund is exempt from the provisions of section 35-190, Arizona Revised
19 Statutes, relating to the lapsing of appropriations, until June 30, 2025
20 for the purpose of vehicle replacement.

21 Of the amount appropriated for the onetime vehicle replacement line
22 item, \$11,709,300 are exempt from the provisions of section 35-190,
23 Arizona Revised Statutes, relating to lapsing of appropriations, until
24 June 30, 2025.

25 Of the amount appropriated in the real-time crime centers line item,
26 \$2,600,000 shall be distributed to the city of Peoria and \$1,500,000 to
27 the city of Tucson to operate real-time crime centers that:

28 1. Use technology to effectively and safely provide assistance to
29 law enforcement agencies and fire departments and districts.

30 2. Integrate crime investigation technology to provide real-time
31 information to responding law enforcement agencies and fire departments
32 and districts.

33 3. Are available for use by law enforcement agencies and fire
34 departments and districts that are located in any city, town or county in
35 the region.

36 Of the amount appropriated in the total appropriation for the
37 department of public safety, \$187,051,200 is designated for personal
38 services and \$76,864,000 is designated for employee-related expenditures.
39 The department shall submit an expenditure plan to the joint legislative
40 budget committee for review before spending these monies for other than
41 personal services or employee-related expenditures.

42 Of the amount appropriated in the fentanyl prosecution, diversion
43 and testing fund deposit line item, up to \$50,000 and 0.5 FTE positions
44 may be used for costs associated with administering the fentanyl
45 prosecution, diversion and testing fund.

Of the amount appropriated in the operating lump sum, \$1,098,600 is for a onetime increase from the state general fund in fiscal year 2023-2024 for onetime operating expenses. The \$1,098,600 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Of the amount appropriated in the law enforcement retention initiatives line item, \$1,000,000 shall be used to acquire coaching resources with a special emphasis on improved retention and development of law enforcement professionals at the department of public safety.

Of the amount appropriated in the law enforcement retention initiatives line item, \$1,000,000 shall be used for a law enforcement recruitment and retention grant program to provide matching grants to county, city and town law enforcement agencies for the purposes of acquiring coaching resources with a special emphasis on improved retention and development of law enforcement professionals at the county, city and town law enforcement agencies. Resource providers must have trained coaches with backgrounds in law enforcement and must be able to provide coaching services online. The county law enforcement agencies in Maricopa and Pima counties must provide a fifty percent match to receive a grant and county law enforcement agencies in all other counties must provide a twenty-five percent match to receive a grant. The city law enforcement agencies in Phoenix and Tucson must provide a fifty percent match to receive a grant and city and town law enforcement agencies in all other cities and towns must provide a twenty-five percent match to receive a grant. The department of public safety shall establish procedures for applying for grants, and county, city and town law enforcement agencies that receive grant monies must use the monies to obtain recruitment and retention resources and services.

The \$1,500,000 appropriated for the sexual assault kit tracking portal line item shall be used to provide or cause to be provided a secure internet portal that allows a victim to anonymously access the following information relating to the victim's sexual assault kit evidence:

1. The current location of the sexual assault kit.
2. The date of the testing.
3. The results of the testing.
4. Whether a DNA profile was obtained from the sexual assault kit evidence.

Sec. 78. STATE REAL ESTATE DEPARTMENT

	<u>2023-24</u>
FTE positions	37.0
Lump sum appropriation	\$ 3,221,000
Fund sources:	
State general fund	\$ 3,221,000

1	Sec. 79. RESIDENTIAL UTILITY CONSUMER OFFICE	
2		<u>2023-24</u>
3	FTE positions	12.0
4	Operating lump sum appropriation	\$ 1,433,900
5	Professional witnesses	<u>145,000*</u>
6	Total appropriation – residential utility	
7	consumer office	\$ 1,578,900
8	Fund sources:	
9	Residential utility consumer	
10	office revolving fund	\$ 1,578,900
11	Sec. 80. BOARD OF RESPIRATORY CARE EXAMINERS	
12		<u>2023-24</u>
13	FTE positions	4.0
14	Lump sum appropriation	\$ 404,800
15	Fund sources:	
16	Board of respiratory care	
17	examiners fund	\$ 404,800
18	Sec. 81. ARIZONA STATE RETIREMENT SYSTEM	
19		<u>2023-24</u>
20	FTE positions	240.9
21	Lump sum appropriation	\$ 28,893,400
22	Fund sources:	
23	Arizona state retirement system	
24	administration account	\$ 27,093,400
25	Long-term disability trust fund	
26	administration account	1,800,000
27	Sec. 82. DEPARTMENT OF REVENUE	
28		<u>2023-24</u>
29	FTE positions	892.8
30	Operating lump sum appropriation	\$ 75,507,400
31	BRITS operational support	8,008,800
32	E-commerce compliance and outreach	919,800
33	Unclaimed property administration	
34	and audit	1,487,000
35	TPT simplification	1,013,800
36	Tax fraud prevention	<u>3,150,000</u>
37	Total appropriation – department of revenue	\$ 90,086,800
38	Fund sources:	
39	State general fund	\$ 61,863,300
40	Department of revenue	
41	administrative fund	26,603,100
42	Liability setoff program	
43	revolving fund	892,500
44	Tobacco tax and health care fund	727,900

If the total value of properties retained by unclaimed property contract auditors exceeds \$1,487,000, the excess amount is transferred from the state general fund to the department of revenue administrative fund established by section 42-1116.01, Arizona Revised Statutes, and is appropriated to the department for contract auditor fees.

The department shall report the department's general fund revenue enforcement goals for fiscal year 2023-2024 to the joint legislative budget committee on or before September 30, 2023. On or before September 30, 2024, the department shall provide an annual progress report to the joint legislative budget committee as to the effectiveness of the department's overall enforcement and collections program for fiscal year 2023-2024. The reports shall compare projected and actual state general fund, total state tax, total county tax and total municipal tax revenue enforcement collections for fiscal year 2022-2023 and fiscal year 2023-2024, including the amount of projected and actual enforcement collections for all tax types. The reports shall also include the total number of transaction privilege tax delinquent accounts, the total dollar value of those accounts classified by age of account and the total dollar amount of delinquent account write-offs determined to be uncollectible for fiscal year 2022-2023.

The department may not transfer any monies to or from the tax fraud prevention line item without prior review by the joint legislative budget committee.

The operating lump sum appropriation includes \$2,000,000 and 25 FTE positions for additional audit and collections staff.

On or before November 1, 2023, the department shall report the results of private fraud prevention investigation services during fiscal year 2022-2023 to the joint legislative budget committee. The report shall include the total number of fraudulent returns prevented and the total dollar amount of fraudulent returns prevented during fiscal year 2022-2023.

Sec. 83. DEPARTMENT OF STATE – SECRETARY OF STATE

	<u>2023-24</u>
FTE positions	143.1
Operating lump sum appropriation	\$ 17,254,600
Access voter information database	483,500
Help America vote act projects	5,000,000*
Library grants-in-aid	651,400*
Presidential preference election	5,926,100
Statewide radio reading service	
for the blind	97,000
Uniform state laws commission	<u>99,000</u>
Total appropriation – department of	
state – secretary of state	\$ 29,511,600

1 Fund sources:

2 State general fund	\$ 22,693,200
3 Election systems improvement fund	5,483,500
4 Records services fund	1,334,900

5 Included in the operating lump sum appropriation of \$17,254,600 for
6 fiscal year 2023-2024 is \$5,000 for the purchase of mementos and items for
7 visiting officials.

8 Included in the operating lump sum appropriation of \$17,254,600 for
9 fiscal year 2023-2024 is \$1,334,900 from the records services fund. This
10 appropriation may be used for the payment of obligations incurred in
11 fiscal year 2022-2023.

12 The operating lump sum appropriation includes \$100,000 for
13 additional support for the talking book library.

14 The operating lump sum appropriation includes \$250,000 for
15 additional support for the address confidentiality program.

16 The operating lump sum appropriation includes \$100,000 for
17 additional support for secretary of state legal expenses. The secretary of
18 state may spend these monies for legal services from the attorney general
19 or to hire one FTE position to serve as legal advisor and to represent the
20 secretary of state. The secretary of state may not make expenditures or
21 incur indebtedness to employ outside or private attorneys to provide
22 representation or services.

23 Of the amount appropriated in the operating lump sum, \$2,330,000 is
24 for a onetime increase from the state general fund in fiscal year
25 2023-2024 for administrative costs. The \$2,330,000 includes \$330,000 for
26 the business services department. The \$2,330,000 is exempt from the
27 provisions of section 35-190, Arizona revised statutes, relating to the
28 lapsing of appropriations.

29 Before transferring any monies in or out of the presidential
30 preference election line item, the secretary of state shall submit a
31 report for review by the joint legislative budget committee.

32 Monies in the access voter information database line item may be
33 used only for the exclusive purpose of developing and administering the
34 statewide database of voter registration information required by section
35 16-168, Arizona Revised Statutes. The secretary of state may not transfer
36 any monies in or out of the access voter information database line item.

37 The secretary of state shall distribute seventy five percent of the
38 monies in the help America vote act projects line item to counties for
39 election systems improvements. Before spending monies in the help America
40 vote act projects line item, the secretary of state shall submit an
41 expenditure plan for review by the joint legislative budget committee that
42 includes, at a minimum, the planned expenditures and timeline for the
43 expenditures by year. On or before July 31, 2024 and December 31, 2024,
44 the secretary of state shall submit a report to the joint legislative
45 budget committee and the governor's office of strategic planning and

budgeting detailing the actual expenditures from the help America vote act projects line item. The secretary of state shall continue to report on July 31 and December 31 of each year until all monies from the help America vote act projects line item have been expended.

Notwithstanding section 35-190, Arizona Revised Statutes, the appropriation of \$5,352,200 to the secretary of state for the county allocation of help America vote act election security grant monies made by Laws 2020, chapter 58, section 104 that remains unexpended on June 30, 2024 reverts to the fund from which the monies were appropriated.

Monies in the presidential preference election line item may only be spent by the secretary of state to reimburse expenses incurred by counties to administer the 2024 presidential preference election, for logic and accuracy testing of voting equipment for the 2024 presidential preference election and for the direct costs of the secretary of state related to the 2024 presidential preference election. The secretary of state may use up to \$100,000 of the monies in the presidential preference election line item for the direct costs of the secretary of state related to the 2024 presidential preference election.

Each county shall submit its certified claims to the secretary of state for the 2024 presidential preference election by May 1, 2024. On or before May 15, 2024, the secretary of state shall review the county claims and submit a report to the joint legislative budget committee and the governor's office of strategic planning and budgeting regarding county reimbursements for the 2024 presidential preference election.

Sec. 84. STATE BOARD OF TAX APPEALS

		<u>2023-24</u>
	FTE positions	4.0
	Lump sum appropriation	\$ 317,700
	Fund sources:	
	State general fund	\$ 317,700

Sec. 85. STATE BOARD OF TECHNICAL REGISTRATION

		<u>2023-24</u>
	FTE positions	25.0
	Lump sum appropriation	\$ 2,620,600
	Fund sources:	
	Technical registration fund	\$ 2,620,600

Sec. 86. OFFICE OF TOURISM

		<u>2023-24</u>
	FTE positions	31.0
	Tourism fund deposit	\$ 7,452,600
	Arizona promotion	1,000,000
	Wine promotion	<u>100,000</u>
	Total appropriation – office of tourism	\$ 8,552,600
	Fund sources:	
	State general fund	\$ 8,552,600

1	Sec. 87. DEPARTMENT OF TRANSPORTATION	
2		<u>2023-24</u>
3	FTE positions	4,554.0
4	Operating lump sum appropriation	\$256,250,200
5	Attorney general legal services	3,623,700
6	Highway maintenance	161,589,100
7	ADOT fleet vehicles and heavy	
8	equipment maintenance	25,391,900
9	Spaying and neutering of	
10	animals fund deposit	550,000
11	State fleet operations	30,454,400
12	State fleet vehicle replacement	25,000,000
13	Driver safety and livestock control	800,000
14	ADOT fleet vehicle and heavy	
15	equipment replacement	22,400,000
16	Highway damage recovery account	8,000,600
17	Onetime fleet fuel inflation	
18	funding	2,337,900
19	Statewide litter removal	3,106,800
20	Radio lifecycle replacement	1,656,100
21	Preventive surface treatments	36,142,000
22	Authorized third parties	<u>2,223,800</u>
23	Total appropriation – department of	
24	transportation	\$579,526,500
25	Fund sources:	
26	State general fund	\$ 550,000
27	Air quality fund	1,128,100
28	Arizona highway user revenue fund	935,200
29	Highway damage recovery account	8,000,600
30	Ignition interlock device fund	363,600
31	Motor vehicle liability	
32	insurance enforcement fund	1,601,800
33	State fleet operations fund	30,454,400
34	State vehicle replacement fund	25,000,000
35	State aviation fund	2,276,900
36	State highway fund	482,177,400
37	Department fleet operations fund	25,391,900
38	Vehicle inspection and certificate	
39	of title enforcement fund	1,646,600

40 Motor vehicle division

41 The department of transportation shall submit an annual report to
 42 the joint legislative budget committee on progress in improving motor
 43 vehicle division wait times and vehicle registration renewal by mail
 44 turnaround times in a format similar to prior years. The report is due on
 45 or before July 31, 2024 for fiscal year 2023-2024.

1 On or before February 1, 2024, the Arizona strategic enterprise
2 technology office shall submit, on behalf of the department of
3 transportation, an annual progress report to the joint legislative budget
4 committee staff. The annual report shall provide updated plans for
5 spending the department-dedicated portion of the authorized third-party
6 electronic service partner's fee retention on the motor vehicle
7 modernization project in fiscal year 2023-2024, including any amounts for
8 stabilization, maintenance, ongoing operations, support and enhancements
9 for the motor vehicle modernization solution, maintenance of legacy
10 mainframe processing and support capability, and other system projects
11 outside the scope of the motor vehicle modernization project.

12 On or before August 1, 2023, the department of transportation shall
13 report to the director of the joint legislative budget committee the
14 state's share of fees retained by the service Arizona vendor in the prior
15 fiscal year. The report shall include the amount spent by the service
16 Arizona vendor on behalf of this state in the prior fiscal year and a list
17 of the projects funded with those monies.

18 Other

19 Of the total amount appropriated, \$161,167,500 in fiscal year
20 2023-2024 for highway maintenance is exempt from the provisions of section
21 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
22 except that all unexpended and unencumbered monies of the appropriation
23 revert to the state highway fund established by section 28-6991, Arizona
24 Revised Statutes, on August 31, 2024.

25 The amount appropriated to the preventive surface treatments line
26 item is exempt from the provisions of section 35-190, Arizona Revised
27 Statutes, relating to lapsing of appropriations, except that all
28 unexpended and unencumbered monies of the appropriation revert to the
29 state highway fund established by section 28-6991, Arizona Revised
30 Statutes, on August 31, 2024.

31 Of the total amount appropriated, the department of transportation
32 shall pay \$15,981,300 in fiscal year 2023-2024 from all funds to the
33 department of administration for its risk management payment.

34 All expenditures made by the department of transportation for
35 attorney general legal services shall be funded only from the attorney
36 general legal services line item. Monies in the operating lump sum
37 appropriation or other line items intended for this purpose shall be
38 transferred to the attorney general legal services line item before
39 expenditure.

40 In accordance with section 35-142.01, Arizona Revised Statutes,
41 reimbursements for monies expended from the highway maintenance line item
42 may not be credited to the account out of which the expenditure was
43 incurred. The department shall deposit all reimbursements for monies
44 expended from the highway maintenance line item in the highway damage
45 recovery account established by section 28-6994, Arizona Revised Statutes.

Expenditures made by the department of transportation for ADOT fleet vehicle and heavy equipment replacement shall be funded only from the ADOT fleet vehicle and heavy equipment replacement line item. Monies in the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the ADOT fleet vehicle and heavy equipment replacement line item before expenditure.

Sec. 88. STATE TREASURER

	<u>2023-24</u>
FTE positions	38.4
Operating lump sum appropriation	\$ 4,666,000
Justice of the peace salaries	2,818,200
Law enforcement/boating safety	
fund grants	<u>2,183,800</u>
Total appropriation – state treasurer	\$ 9,668,000
Fund sources:	
State general fund	\$ 3,160,800
Law enforcement and boating	
safety fund	2,183,800
State treasurer's operating fund	4,323,400

On or before June 30, 2024, the state treasurer shall report to the joint legislative budget committee staff on the state treasurer's current fiscal year and estimated next fiscal year expenditures of interest earnings spent pursuant to sections 35-315 and 35-318, Arizona Revised Statutes, for the state treasurer's banking service contract, external investment management agreement, administrative and information technology costs and any other costs.

Sec. 89. GOVERNOR'S OFFICE ON TRIBAL RELATIONS

	<u>2023-24</u>
FTE positions	3.0
Lump sum appropriation	\$ 69,900
Fund sources:	
State general fund	\$ 69,900

Sec. 90. ARIZONA BOARD OF REGENTS

	<u>2023-24</u>
FTE positions	30.9
Operating lump sum appropriation	\$ 2,496,500
Adaptive athletics	160,000
Primary care residency programs	5,000,000*
Arizona promise program	40,000,000
Spouses of military veterans	
tuition scholarships	10,000,000
Arizona teachers academy	30,000,000

1	Arizona teachers incentive program	90,000
2	Arizona teacher student loan program	426,000
3	Arizona transfer articulation	
4	support system	213,700
5	Spouses and dependents of law	
6	enforcement officers tuition	
7	scholarship fund deposit	2,000,000
8	Leveraging educational assistance	
9	partnership program	1,220,800
10	Museum of democracy presidential	
11	project	2,000,000*
12	Washington, D.C. internships	300,000*
13	Western interstate commission	
14	office	153,000
15	WICHE student subsidies	<u>4,078,000</u>
16	Total appropriation – Arizona board of	
17	regents	\$ 98,138,000

Fund sources:

19	State general fund	\$ 98,138,000
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20 The Arizona board of regents shall distribute monies appropriated
 21 for the adaptive athletics line item to each university under the
 22 jurisdiction of the board to maintain and operate an intercollegiate
 23 adaptive athletics program that provides opportunities for competitive
 24 wheelchair and adaptive sports to students and community members with
 25 disabilities. The monies may be spent only when the university collects
 26 matching monies of gifts, grants and donations for the intercollegiate
 27 adaptive athletics program from sources other than this state.
 28 Universities may spend the monies only on scholarships, equipment,
 29 uniforms, travel expenses and tournament fees for participants in the
 30 intercollegiate adaptive athletics program. The monies may not be used
 31 for administrative costs, personal services or employee-related
 32 expenditures.

33 On or before October 1, 2024, the Arizona board of regents shall
 34 submit a report to the director of the joint legislative budget committee
 35 and the director of the governor's office of strategic planning and
 36 budgeting on the Arizona promise program that includes all of the
 37 following for fiscal year 2023-2024:

38 1. The total number of students receiving promise scholarships by
 39 each eligible postsecondary institution.

40 2. The total number of students enrolled at each eligible
 41 postsecondary institution that are eligible to receive federal pell
 42 grants.

43 3. A list of the programs of study in which promise scholarship
 44 recipients are enrolled, including the number of recipients enrolled in
 45 each program.

1 4. The average promise scholarship award amount for each eligible
2 postsecondary institution.

3 5. A geographic representation of promise scholarship recipients
4 based on the high school attended.

5 6. The average grade point average of promise scholarships
6 recipients by each eligible postsecondary institution.

7 On or before October 1, 2024, the Arizona board of regents shall
8 submit a report to the director of the joint legislative budget committee
9 and the director of the governor's office of strategic planning and
10 budgeting on spouses of military veterans tuition scholarships that
11 includes all of the following for fiscal year 2023-2024:

12 1. The amount distributed to each eligible postsecondary
13 institution.

14 2. The total number of award recipients by each eligible
15 postsecondary institution.

16 3. The average award amount for each eligible postsecondary
17 institution.

18 On or before October 1, 2024, the Arizona board of regents shall
19 submit a report to the director of the joint legislative budget committee
20 and the director of the governor's office of strategic planning and
21 budgeting on spouses and dependents of law enforcement officers tuition
22 scholarships that includes all of the following for fiscal year 2023-2024:

23 1. The amount distributed to each eligible postsecondary
24 institution.

25 2. The total number of award recipients by each eligible
26 postsecondary institution.

27 3. The average award amount for each eligible postsecondary
28 institution.

29 In order to be eligible to receive state matching monies under the
30 leveraging educational assistance partnership program for grants to
31 students, each participating institution, public or private, shall provide
32 an amount of institutional matching monies that equals the amount of
33 monies provided by this state to the institution for the leveraging
34 educational assistance partnership program. Administrative expenses
35 incurred by the Arizona board of regents shall be paid from institutional
36 matching monies and may not exceed twelve percent of the monies
37 appropriated in fiscal year 2023-2024.

38 The Arizona board of regents shall distribute monies appropriated
39 for the museum of democracy presidential project to universities under the
40 jurisdiction of the board to provide opportunities for undergraduate
41 students, high school students and the broader community to become better
42 informed on American presidencies and presidential elections. Programming
43 may include public speakers, high school leadership academies and
44 undergraduate student workshops. The monies shall also be used to display

1 presidential memorabilia collections, combining visual arts, exhibitions
2 and civic education programs.

3 The Arizona board of regents shall distribute monies appropriated
4 for Washington, D.C. internships in equal amounts to each of the three
5 universities under the jurisdiction of the board for the purpose of
6 providing student internships in Washington, D.C. in partnership with a
7 third-party organization. The third-party organization must meet the
8 following requirements:

9 1. Have partnerships with Washington, D.C.-based organizations to
10 provide full-time, semester-long student internships.

11 2. Have the ability to place as many students in internships as
12 needed by the universities.

13 3. Have experience placing students in internships for at least ten
14 consecutive years.

15 4. Have dedicated staff to ensure that student interns have access
16 to internships in their areas of interest.

17 Within ten days after the acceptance of the universities' semiannual
18 all funds budget reports, the Arizona board of regents shall submit a
19 current year expenditure plan to the joint legislative budget committee
20 for review. The expenditure plan shall include the use of all projected
21 tuition and fee revenues by expenditure category, including operating
22 expenses, plant fund, debt service and financial aid. The plan shall
23 include the amount by which each expenditure category is projected to
24 increase over the prior year and shall provide as much detail as the
25 university budget requests. The plan shall include the total revenue and
26 expenditure amounts from all tuition and student fee revenues, including
27 base tuition, differential tuition, program fees, course fees, summer
28 session fees and other miscellaneous and mandatory student fee revenues.

29 Sec. 91. ARIZONA STATE UNIVERSITY

30		<u>2023-24</u>
31	FTE positions	7,724.9
32	Operating lump sum appropriation	\$977,425,600
33	Biomedical informatics	3,701,700
34	Eastern Europe cultural collaborative	250,000
35	Arizona financial aid trust	5,985,800
36	Downtown Phoenix campus	109,867,100
37	Collegiate women's wrestling	
38	program	<u>500,000</u>
39	Total appropriation — Arizona state	
40	university	\$1,097,730,200
41	Fund sources:	
42	State general fund	\$391,698,400
43	University collections fund	706,031,800
44	The state general fund appropriation may not be used for alumni	
45	association funding.	

1 The increased state general fund appropriation from Laws 2014,
2 chapter 18 may not be used for medical marijuana research.

3 Other than scholarships awarded through the Arizona financial aid
4 trust, the appropriated monies may not be used for scholarships or any
5 student newspaper.

6 The appropriated monies may not be used by the Arizona state
7 university college of law legal clinic for any lawsuits involving inmates
8 of the state department of corrections in which this state is the adverse
9 party.

10 Of the amount appropriated to the Arizona state university operating
11 budget, \$23,600,000 is onetime funding. On or before September 1, 2023,
12 Arizona state university shall provide a detailed expenditure plan to the
13 joint legislative budget committee that includes a description of the
14 intended purposes and the estimated costs of each expenditure.

15 Arizona state university shall use monies appropriated for the
16 eastern Europe cultural collaborative to facilitate cultural and academic
17 exchanges between university faculty and students and academic
18 institutions in eastern Europe.

19 Any appropriated monies allocated by the university for the school
20 of civic and economic thought and leadership shall be used to operate a
21 single stand-alone academic entity within Arizona state university. The
22 appropriated monies may not supplant any existing state funding or private
23 or external donations to the existing centers or to the school. The
24 appropriated monies and all private and external donations for the school,
25 including any remaining balances from prior fiscal years, shall be
26 deposited in a separate account, shall be used only for the direct
27 operation of the school and may not be used for indirect costs of the
28 university. On or before October 1, 2023, the school shall submit a
29 report to the president of the senate, the speaker of the house of
30 representatives, the chairpersons of the senate education committee and
31 the house of representatives education committee and the director of the
32 joint legislative budget committee that includes at least the following
33 information for the school:

- 34 1. The total amount of funding received from all sources.
- 35 2. A description of faculty positions and courses offered.
- 36 3. The total undergraduate and graduate student enrollment.
- 37 4. Significant community events, initiatives or publications.

38 The chairpersons of the senate education committee and the house of
39 representatives education committee may request the director of the school
40 to appear before the committees to report on the school's annual
41 achievements.

42 The legislature intends that appropriated monies allocated by the
43 university for the school of civic and economic thought and leadership in
44 fiscal year 2023-2024 be consistent with the amount appropriated in fiscal
45 year 2022-2023.

1 Any appropriated monies allocated by Arizona state university for
2 the center for American institutions shall be used at the sole discretion
3 and on approval of the lead of the center and may not supplant any
4 existing state funding or private or external donations to the center.
5 The appropriated monies and all private and external donations for the
6 center, including remaining balances from prior fiscal years, shall be
7 deposited in a separate account, shall be used only for the direct
8 operation of the center and may not be used for any indirect costs of the
9 university.

10 On or before October 1, 2024, the center for American institutions
11 shall submit a report to the joint legislative budget committee that
12 includes the total amount of funding received from all sources and a
13 description of the center's activities and accomplishments.

14 Of the monies appropriated to the operating lump sum, the
15 legislature intends that \$4,000,000 be deposited in a separate account for
16 the center for American institutions.

17 Of the amount appropriated for the collegiate women's wrestling
18 program, up to \$150,000 may be used for costs incurred to establish and
19 maintain a collegiate women's wrestling program at Arizona state
20 university. The remaining monies shall be used to award athletic
21 scholarships on a first-come, first-served basis to any individual who
22 meets the following criteria:

- 23 1. Participates in the women's wrestling program.
- 24 2. Is or will be enrolled full time at Arizona state university.
- 25 3. Has an overall grade point average of 3.0 or higher on a 4.0
26 scale, or the equivalent.
- 27 4. Is ranked in the top ten of the student's weight class according
28 to a national high school ranking system, except that students who are
29 ranked in the top five of a national high school ranking system shall be
30 given priority. If the student does not have a current national high
31 school rank because the student has graduated from high school, the
32 requirement may be satisfied by the student's most recent national high
33 school rank.

34 Scholarships awarded shall be equal to the cost of tuition, room,
35 board, books and university fees charged by Arizona state university,
36 reduced by the amount of any federal aid scholarships or public grants or
37 any other financial gifts, grants or aid received by that individual.

38 Any unencumbered balances remaining in the university collections
39 fund on June 30, 2023 and all collections received by the university
40 during the fiscal year are appropriated for operating expenditures,
41 capital outlay and fixed charges. Earnings on state lands and interest on
42 the investment of the permanent land funds are appropriated in compliance
43 with the enabling act and the Constitution of Arizona. No part of this
44 appropriation may be spent for supplemental life insurance or supplemental
45 retirement.

1 Sec. 92. NORTHERN ARIZONA UNIVERSITY

2		<u>2023-24</u>
3	FTE positions	2,376.2
4	Operating lump sum appropriation	\$249,663,200
5	Arizona financial aid trust	1,326,000
6	Biomedical research funding	3,000,000
7	NAU – Yuma	3,119,800
8	Teacher training	<u>2,292,700</u>
9	Total appropriation – Northern Arizona	
10	university	\$259,401,700
11	Fund sources:	
12	State general fund	\$129,004,400
13	University collections fund	130,397,300
14	The state general fund appropriation may not be used for alumni	
15	association funding.	
16	The increased state general fund appropriation from Laws 2014,	
17	chapter 18 may not be used for medical marijuana research.	
18	Other than scholarships awarded through the Arizona financial aid	
19	trust, the appropriated monies may not be used for scholarships or any	
20	student newspaper.	
21	Of the amount appropriated to the northern Arizona university	
22	operating budget, \$11,100,000 is onetime funding. On or before September	
23	1, 2023, northern Arizona university shall provide a detailed expenditure	
24	plan to the joint legislative budget committee that includes a description	
25	of the intended purposes and the estimated costs of each expenditure.	
26	The appropriated amount for the teacher training line item shall be	
27	distributed to the Arizona K-12 center for program implementation and	
28	mentor training for the Arizona mentor teacher program prescribed by the	
29	state board of education.	
30	Any unencumbered balances remaining in the university collections	
31	fund on June 30, 2023 and all collections received by the university	
32	during the fiscal year are appropriated for operating expenditures,	
33	capital outlay and fixed charges. Earnings on state lands and interest on	
34	the investment of the permanent land funds are appropriated in compliance	
35	with the enabling act and the Constitution of Arizona. No part of this	
36	appropriation may be spent for supplemental life insurance or supplemental	
37	retirement.	
38	The biomedical research funding shall be distributed to a nonprofit	
39	medical research foundation in this state that collaborates with	
40	universities, hospitals and biotechnology and health research centers. A	
41	nonprofit foundation that receives monies shall submit an expenditure and	
42	performance report to Northern Arizona university. The university shall	
43	transmit the report to the joint legislative budget committee and the	
44	director of the governor's office of strategic planning and budgeting on	

1 or before February 1, 2024. The report must include at least the
2 following:

3 1. The type and amount of expenditures from all state sources of
4 monies, including the amount leveraged for local, state, federal and
5 private grants.

6 2. A description of each grant received as well as the percentage
7 and locations of positions funded solely or partly by state monies and the
8 nonprofit foundation's projects with which those positions are associated.

9 3. Performance measures, including:

10 (a) Outcomes that are specifically related to the use of state
11 monies.

12 (b) Progress that has been made toward achieving each outcome,
13 including activities, resources and other evidence of the progress.

14 (c) Reportable inventions or discoveries related to each outcome.

15 (d) Publications, presentations and narratives related to each
16 outcome and how the expenditures from all state sources of monies that the
17 nonprofit foundation received have benefited this state.

18 Any appropriated monies allocated by the university for the economic
19 policy institute may not supplant any existing state funding or private or
20 external donations to the institute or to the university. The
21 appropriated monies and all private and external donations for the
22 institute, including any remaining balances from prior fiscal years, shall
23 be deposited in a separate account, shall be used only for the direct
24 operation of the institute and may not be used for indirect costs of the
25 university. On or before October 1, 2023, the institute shall submit to
26 the president of the senate, the speaker of the house of representatives,
27 the chairpersons of the senate education committee and the house of
28 representatives education committee and the director of the joint
29 legislative budget committee a report that includes at least the following
30 information for the institute:

31 1. The total amount of funding received from all sources.

32 2. A description of the faculty positions and courses offered.

33 3. The total undergraduate and graduate student participation.

34 4. Significant community events, initiatives or publications.

35 The chairpersons of the senate education committee and the house of
36 representatives education committee may request the director of the
37 institute to appear before the committees to report on the institute's
38 annual achievements.

39 The legislature intends that appropriated monies allocated by the
40 university for the economic policy institute in fiscal year 2023-2024 be
41 consistent with the amount appropriated in fiscal year 2022-2023.

1	Sec. 93. UNIVERSITY OF ARIZONA	
2		<u>2023-24</u>
3	<u>Main campus</u>	
4	FTE positions	6,294.5
5	Operating lump sum appropriation	\$570,417,400
6	Agriculture	38,651,000
7	Arizona cooperative extension	17,619,900
8	Arizona financial aid trust	2,729,400
9	Arizona geological survey	1,148,500
10	College of veterinary medicine	8,000,000
11	Kazakhstan studies program	250,000
12	Mining, mineral and natural	
13	resources educational museum	438,700
14	On-farm irrigation efficiency	
15	fund deposit	16,200,000
16	Natural resource users law and	
17	policy center	1,559,500
18	School of mining	4,476,000
19	Sierra Vista campus	5,031,700
20	Space analog for the Moon and Mars	1,500,000
21	Veterinary diagnostic laboratory	<u>2,500,000</u>
22	Total – main campus	\$670,522,100
23	Fund sources:	
24	State general fund	\$287,710,800
25	University collections fund	382,811,300
26	<u>Health sciences center</u>	
27	FTE positions	1,112.4
28	Operating lump sum appropriation	\$100,127,400
29	AZ REACH	500,000
30	Board of medical student loans	2,000,000
31	Clinical rural rotation	353,600
32	Clinical teaching support	8,587,000
33	Liver research institute	440,400
34	Phoenix medical campus	32,394,600
35	Telemedicine network	<u>1,670,000</u>
36	Total – health sciences center	\$146,073,000
37	Fund sources:	
38	State general fund	\$ 79,397,700
39	University collections fund	<u>66,675,300</u>
40	Total appropriation - university of	
41	Arizona	\$816,595,100
42	Fund sources:	
43	State general fund	\$367,108,500
44	University collections fund	449,486,600

1 The state general fund appropriation may not be used for alumni
2 association funding.

3 The increased state general fund appropriation from Laws 2014,
4 chapter 18 may not be used for medical marijuana research.

5 Other than scholarships awarded through the Arizona financial aid
6 trust, the appropriated monies may not be used for scholarships or any
7 student newspaper.

8 Of the amount appropriated to the university of Arizona operating
9 budget, \$16,300,000 is onetime funding. On or before September 1, 2023,
10 the university of Arizona shall provide a detailed expenditure plan to the
11 joint legislative budget committee that includes a description of the
12 intended purposes and the estimated costs of each expenditure.

13 Of the amount appropriated for the Arizona cooperative extension
14 line item, \$1,000,000 shall be used for the agricultural workforce
15 development program.

16 The university of Arizona may not use monies appropriated for the
17 Arizona geological survey line item for any other purpose and may not
18 transfer the monies appropriated for the Arizona geological survey to the
19 operating budget or any other line item.

20 The legislature intends that \$8,000,000 of the amount appropriated
21 to the health sciences center operating lump sum appropriation line item
22 be used to expand the college of medicine Phoenix campus and to develop
23 and administer a primary care physician scholarship program at the college
24 of medicine Phoenix campus and the college of medicine Tucson campus. The
25 legislature intends that the \$8,000,000 not be annualized in future years.

26 The amount appropriated for the AZ REACH line item shall be used to
27 provide medical care transfer services for hospitals with less than twenty
28 beds.

29 Any appropriated monies allocated by the university for the center
30 for the philosophy of freedom may not supplant any existing state funding
31 or private or external donations to the center or the philosophy
32 department of the university of Arizona. The appropriated monies and all
33 private and external donations for the center, including any remaining
34 balances from prior fiscal years, shall be deposited in a separate
35 account, shall be used only for the direct operation of the center and may
36 not be used for indirect costs of the university. On or before October 1,
37 2023, the center shall submit a report to the president of the senate, the
38 speaker of the house of representatives, the chairpersons of the senate
39 education committee and the house of representatives education committee
40 and the director of the joint legislative budget committee that includes
41 at least the following information for the center:

- 42 1. The total amount of funding received from all sources.
- 43 2. A description of faculty positions and courses offered.
- 44 3. The total undergraduate and graduate student participation.
- 45 4. Significant community events, initiatives or publications.

The chairpersons of the senate education committee and the house of representatives education committee may request the director of the center to appear before the committees to report on the center's annual achievements.

The legislature intends that appropriated monies allocated by the university for the center for the philosophy of freedom in fiscal year 2023-2024 be consistent with the amount appropriated in fiscal year 2022-2023.

The amount appropriated to the college of veterinary medicine line item shall be distributed to the college of veterinary medicine to increase the number of students that are residents of this state. Before spending these monies, the university of Arizona shall report to the joint legislative budget committee all of the following information for the college of veterinary medicine:

1. The current number of students who are residents of this state.
2. The current number of students who are not residents of this state.

The university of Arizona shall use monies appropriated for the Kazakhstan studies program to facilitate academic exchanges between university students and academic institutions in Kazakhstan.

The amount appropriated for the natural resource users law and policy center line item shall be used by the natural resource users law and policy center within the Arizona cooperative extension. Of the amount appropriated, at least \$500,000 shall be used to assist claimants in the general stream adjudication of water rights pursuant to section 15-1647, Arizona Revised Statutes.

The amount appropriated for the space analog for the Moon and Mars line item shall be used for the continued progression of the space analog for the Moon and Mars program at Biosphere 2 at the university of Arizona. The legislature intends that the amount appropriated in fiscal year 2023-2024 be used to fund the continued progression of the program across fiscal years 2023-2024, 2024-2025 and 2025-2026.

Any unencumbered balances remaining in the university collections fund on June 30, 2023 and all collections received by the university during the fiscal year are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be spent for supplemental life insurance or supplemental retirement.

1 Sec. 94. DEPARTMENT OF VETERANS' SERVICES

2		<u>2023-24</u>
3	FTE positions	792.3
4	Operating lump sum appropriation	\$ 2,924,900
5	Arizona state veterans' homes	60,559,500
6	Arizona state veterans' cemeteries	977,500
7	Gila county veterans retreat	3,000,000*
8	Rural tribal nations veteran	
9	benefit counseling	2,200,000
10	Veterans' benefit counseling	3,685,700
11	Veteran suicide prevention training	
12	pilot program	600,000*
13	Veterans' support services	1,226,100
14	Veterans' trauma treatment	
15	services	450,000
16	Homeless veterans'	
17	reintegration program	<u>5,000,000</u>
18	Total appropriation – department of	
19	veterans' services	\$ 80,623,700
20	Fund sources:	
21	State general fund	\$ 20,064,200
22	State home for veterans' trust	
23	fund	60,559,500
24	Of the amount appropriated for the Arizona state veterans'	
25	cemeteries line item, \$15,000 is allocated to provide burial services in	
26	state veterans' cemeteries for members of the Arizona national guard and	
27	the United States armed forces reserves if the member's service was	
28	terminated under honorable conditions as authorized by the burial equity	
29	for guards and reserves act (P.L. 117-103; 136 STAT. 1109).	
30	Monies appropriated for the Gila county veterans retreat line item	
31	shall be distributed to Gila county for the Pleasant Valley veterans	
32	retreat.	
33	Monies appropriated for the rural tribal nations veteran benefit	
34	counseling line item shall be used for veterans' services officers to	
35	provide services in rural tribal nations in this state that have	
36	communities that are located one hundred miles or more from the nearest	
37	United States department of veterans' affairs service center.	
38	Monies appropriated for the veteran suicide prevention training	
39	pilot program line item shall be used to offer claims examiners and county	
40	and municipal veteran service officers specialized training and	
41	certification in preventing veteran suicides. The department of veterans'	
42	services shall contract with an organization that has experience in	
43	developing and implementing veteran-relevant and evidence-based suicide	
44	prevention training to develop the training curriculum. The department	
45	shall establish and oversee the process for selecting participants and	

certifying participants for successful training completion. The program shall train participants to identify indicators of elevated suicide risk in veterans and provide emergency crisis referrals for veterans who are expressing or exhibiting symptoms of emotional or psychological distress. The department shall adopt rules necessary to implement the pilot program. On or before July 30, 2024, the department shall submit a report to the president of the senate and the speaker of the house of representatives that includes information concerning the pilot program and whether any changes should be made to the pilot program to increase the program's effectiveness.

The amount appropriated for veterans' support services line item shall be distributed to a nonprofit veterans' services organization that provides support services among this state's military and veteran population. The department may spend up to \$76,500 of this appropriation to hire a program specialist to liaise between the department and the selected nonprofit organization. Before the expenditure of the monies, the department shall submit an expenditure report to the joint legislative budget committee that includes the status of non-state matching grant monies.

Monies appropriated for the veterans' trauma treatment services line item shall be used to provide grants to contractors as defined in section 36-2901, Arizona Revised Statutes, that provide trauma treatment services training to any of the following health professionals licensed pursuant to title 32, Arizona Revised Statutes:

1. Physicians.
2. Registered nurse practitioners.
3. Physician assistants.
4. Psychologists.

5. Behavioral health professionals who are either licensed for individual practice or supervised by a psychologist, registered nurse practitioner or behavioral health professional licensed pursuant to title 32, Arizona Revised Statutes, for independent practice.

Monies appropriated for the homeless veterans' reintegration program line item shall be used to provide services that assist in reintegrating homeless veterans into meaningful employment within the labor force and to stimulate the development of effective service delivery systems that address the complex problems facing homeless veterans.

Sec. 95. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

		<u>2023-24</u>
FTE positions		7.0
Lump sum appropriation	\$	769,000
Fund sources:		
Veterinary medical examining		
board fund	\$	769,000

1 Sec. 96. WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA
 2 2023-24

3 Eastern Arizona water projects
 4 assistance grants \$ 3,000,000*
 5 Total appropriation – water infrastructure
 6 finance authority of Arizona \$ 3,000,000

7 Fund sources:

8 State general fund \$ 3,000,000

9 Of the amount appropriated to the eastern Arizona water projects
 10 assistance grants line item, \$3,000,000 is allocated to provide financial
 11 assistance to irrigation districts in Cochise and Graham counties to
 12 contract for services of outside advisors, attorneys, consultants and
 13 aides that are reasonably necessary or desirable to enable the irrigation
 14 districts to adequately perform their duties. Each county shall receive a
 15 \$1,500,000 allocation. The water infrastructure finance authority of
 16 Arizona shall develop a separate grant program to distribute these monies
 17 to qualified entities on or before June 30, 2024.

18 Sec. 97. DEPARTMENT OF WATER RESOURCES

19 2023-24

20 FTE positions 179.0
 21 Operating lump sum appropriation \$ 15,228,500
 22 Adjudication support 1,900,600
 23 Arizona water protection fund
 24 deposit 1,250,000
 25 Assured and adequate water supply
 26 administration 2,513,400
 27 Brackish groundwater study 100,000*
 28 Brackish groundwater recovery pilot
 29 program 11,000,000*
 30 Rural water studies 1,290,800
 31 Conservation and drought program 430,300
 32 Automated groundwater monitoring 418,600
 33 Colorado River legal expenses 500,000*
 34 Water supply and demand assessment 3,500,000
 35 Santa Rosa canal groundwater
 36 delivery 25,000,000*
 37 Statewide water resources planning 5,000,000
 38 Total appropriation - department of water
 39 resources \$ 68,132,200
 40 Fund sources:
 41 State general fund \$ 66,114,500
 42 Water resources fund 1,726,500
 43 Assured and adequate water
 44 supply administration fund 291,200

Monies in the assured and adequate water supply administration line item may be used only for the exclusive purposes prescribed in sections 45-108, 45-576, 45-577, 45-578 and 45-579, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the assured and adequate water supply administration line item.

The department of water resources shall use the monies in the brackish groundwater study line item to review and update information contained in studies on the availability of brackish groundwater in this state.

Of the \$11,000,000 allocated to the brackish groundwater recovery pilot program line item, \$2,000,000 is allocated to the department of water resources for a brackish groundwater desalination demonstration program and to develop a base of knowledge to enhance groundwater recovery through desalination in this state's active management areas. The department shall locate this pilot program within the department's active management area section and a portion of the monies may be used for staffing. The department shall organize the program following the model of work undertaken by the Texas water development board to further the use and development of cost-effective desalination technologies.

Of the \$11,000,000 allocated to the brackish groundwater recovery pilot program line item, \$9,000,000 is allocated for matching participants dollar-for-dollar for brackish groundwater desalination projects within active management areas undertaken for the benefit of those receiving water from the central Arizona project. The central Arizona project shall receive three dollars for every dollar it contributes to this pilot program.

The legislature intends that monies in the rural water studies line item be spent only to assess local water use needs and to develop plans for sustainable future water supplies in rural areas outside this state's active management areas and not be made available for other department operating expenditures.

Monies in the adjudication support line item may be used only for the exclusive purposes prescribed in section 45-256, Arizona Revised Statutes, and section 45-257, subsection B, paragraph 4, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the adjudication support line item.

The department of water resources may not transfer any monies from the Colorado River legal expenses line item without prior review by the joint legislative budget committee.

On or before July 31, 2024, the department of water resources shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on the uses of the monies appropriated to the statewide water resources planning line item.

The department of water resources shall use the monies in the Santa Rosa canal groundwater delivery line item to distribute equally between the irrigation districts that are constructing infrastructure in furtherance of the purposes of the settlement between the Maricopa-Stanfield irrigation and drainage district, the central Arizona irrigation and drainage district and the Ak-Chin Indian community and with respect to the delivery of groundwater by the districts by means other than the Santa Rosa canal.

Fiscal Year 2022-2023 Appropriation Adjustments

Sec. 98. Supplemental appropriation; department of administration; risk management revolving fund; review; fiscal year 2022-2023

A. In addition to any other appropriations made in fiscal year 2022-2023, the sum of \$3,107,700 is appropriated from the risk management revolving fund established by section 41-622, Arizona Revised Statutes, in fiscal year 2022-2023 to the department of administration for the following purposes:

1. To pay disallowed costs relating to excess retained earnings.
2. To pay disallowed costs relating to the statewide information technology charges.
3. For fund transfers in fiscal year 2021-2022.
4. To pay interest owed from prior-year disallowed costs.

B. The legislature intends that the department of administration not enter into any agreements to pay for any federal reimbursements related to excess balances in the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, unless the proposed agreements have been reviewed by the joint legislative budget committee.

Sec. 99. Supplemental appropriation; Arizona commission of African-American affairs; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of \$15,000 is appropriated from the state general fund in fiscal year 2022-2023 to the Arizona commission of African-American affairs to address an operating shortfall.

Sec. 100. Supplemental appropriation; fund balance transfer; automation projects fund; fiscal year 2022-2023

The sum of \$1,750,000 is transferred from the personnel division fund established by section 41-750, Arizona Revised Statutes in fiscal year 2022-2023 for deposit in the human resources information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised statutes to replace the state human resources information system.

Sec. 101. Supplemental appropriation reduction; Arizona health care cost containment system administration; facility construction; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of \$(25,000,000) is reduced from appropriations made from the state general fund in fiscal year 2022-2023 to the Arizona health care cost containment system administration to remove funding for the construction of secure behavioral health residential facilities.

Sec. 102. Supplemental appropriation; department of child safety; federal funding adjustment; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of \$19,888,200 is appropriated from expenditure authority in fiscal year 2022-2023 to the department of child safety operating lump sum to reflect increased federal funding for department operations.

Sec. 103. Supplemental appropriation; department of child safety; technical adjustment; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of \$11,100,000 is appropriated from expenditure authority in fiscal year 2022-2023 to the department of child safety adoption services line item for a technical adjustment.

Sec. 104. Supplemental appropriation; Arizona department of housing; homeless shelter and services; exemption; fiscal year 2022-2023

A. In addition to any other appropriations made in fiscal year 2022-2023, the sum of \$20,000,000 is appropriated from the state general fund in fiscal year 2022-2023 to the Arizona department of housing for programs that provide shelter and services to unsheltered persons who are experiencing homelessness.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 105. Supplemental appropriation; superintendent of public instruction; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of \$180,624,300 is appropriated from the state general fund in fiscal year 2022-2023 to the superintendent of public instruction for additional basic state aid formula costs.

1 Sec. 106. Supplemental appropriation; department of health
 2 services; Arizona state hospital; fiscal year
 3 2022-2023

4 In addition to any other appropriations made in fiscal year
 5 2022-2023, the sum of \$5,600,000 is appropriated from the state general
 6 fund in fiscal year 2022-2023 to the department of health services Arizona
 7 state hospital - operating line item to address an operating shortfall.

8 Sec. 107. Supplemental appropriation; department of public
 9 safety; motor vehicle fuel; fiscal year 2022-2023

10 In addition to any other appropriations made in fiscal year
 11 2022-2023, the sum of \$3,364,200 is appropriated from the Arizona highway
 12 patrol fund established by section 41-1752, Arizona Revised Statutes, in
 13 fiscal year 2022-2023 to the department of public safety motor vehicle
 14 fuel line item to address inflationary increases in fuel costs.

15 Sec. 108. Supplemental appropriation; department of
 16 transportation; highway maintenance; fiscal year
 17 2022-2023

18 In addition to any other appropriations made in fiscal year
 19 2022-2023, the sum of \$15,200,000 is appropriated from the state highway
 20 fund established by section 28-6991, Arizona Revised Statutes, in fiscal
 21 year 2022-2023 to the department of transportation highway maintenance
 22 line item to address highway maintenance due to the winter months.

23 Sec. 109. Appropriations; lapsing; exemption; fiscal year
 24 2022-2023

25 The following amounts appropriated in the agency lump sum
 26 appropriations in fiscal year 2022-2023 to the following agencies pursuant
 27 to Laws 2022, chapter 313 are exempt from the provisions of section
 28 35-190, Arizona Revised Statutes, relating to the lapsing of
 29 appropriations, until June 30, 2024, for the purposes of e-licensing
 30 system upgrades:

31 1. Acupuncture board of examiners	\$ 5,500
32 2. Board of athletic training	\$ 9,700
33 3. Barbering and cosmetology board	\$354,400
34 4. Board of behavioral health examiners	\$ 65,700
35 5. State board of chiropractic examiners	\$ 11,100
36 6. State board of dental examiners	\$ 52,300
37 7. State board of funeral directors and embalmers	\$ 18,000
38 8. Department of insurance and	
39 financial institutions	\$700,000
40 9. Board of homeopathic and integrated	
41 medicine examiners	\$ 2,400
42 10. Board of massage therapy	\$ 60,300
43 11. Arizona medical board	\$173,600
44 12. Naturopathic physicians medical board	\$ 5,200

1	13.	Board of examiners of nursing care	
2		institution administrators and	
3		assisted living facility managers	\$ 45,100
4	14.	Board of occupational therapy examiners	\$ 34,100
5	15.	Arizona board of osteopathic examiners	
6		in medicine and surgery	\$ 17,800
7	16.	State board of dispensing opticians	\$ 16,300
8	17.	State board of optometry	\$ 7,500
9	18.	Arizona state board of pharmacy	\$190,500
10	19.	Board of physical therapy	\$ 53,600
11	20.	State board of podiatry examiners	\$ 4,500
12	21.	Board for private postsecondary education	\$ 2,500
13	22.	State board of psychologist examiners	\$ 18,000
14	23.	Board of respiratory care examiners	\$ 45,900
15	24.	State board of technical registration	\$167,700
16	25.	Arizona state veterinary medical examining	
17		board	\$ 24,600

18 Fiscal Year 2023-2024 Appropriations

19 Sec. 110. Appropriation; reduction; water infrastructure
 20 finance authority of Arizona; fiscal year
 21 2023-2024

22 The appropriation made in Laws 2022, chapter 366, section 32, to the
 23 long-term water augmentation fund established by section 49-1302, Arizona
 24 Revised Statutes, in fiscal year 2023-2024 is reduced by \$(138,800,000).

25 Sec. 111. Appropriations; department of administration;
 26 counties; allocations; report; fiscal year
 27 2023-2024

28 A. The sum of \$7,150,650 is appropriated from the state general
 29 fund in fiscal year 2023-2024 to the department of administration for
 30 distribution to counties to maintain essential county services. The
 31 department shall allocate the appropriation equally among all counties
 32 with a population of less than nine hundred thousand persons according to
 33 the 2020 United States decennial census.

34 B. The sum of \$500,000 is appropriated from the state general fund
 35 in fiscal year 2023-2024 to the department of administration for
 36 distribution to Graham county to maintain essential county services.

37 C. The sum of \$3,000,000 is appropriated from the state general
 38 fund in fiscal year 2023-2024 to the department of administration for
 39 distribution to counties to supplement the normal cost plus an amount to
 40 amortize the unfunded accrued liability pursuant to section 38-810,
 41 subsection C, Arizona Revised Statutes. The department shall allocate the
 42 appropriation equally among all counties with a population of less than
 43 three hundred thousand persons according to the 2020 United States
 44 decennial census. The counties may use these monies only for required
 45 employer contributions to the elected officials' retirement plan.

D. The sum of \$7,000,000 is appropriated from the state general fund in fiscal year 2023-2024 to the department of administration for distribution to counties to establish a coordinated reentry planning services program.

Sec. 112. Automation projects fund; appropriations; quarterly reports; exemption; fiscal year 2023-2024

A. The sum of \$20,647,800 is appropriated from the human resources information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration to replace the human resources information system.

B. The sum of \$15,000,000 is appropriated from the health and human services information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration for statewide health and human services information technology projects.

C. The sum of \$2,000,000 is appropriated from the department of administration subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration for the K-12 school financial transparency reporting portal.

D. The sum of \$7,000,000 is appropriated from the corporation commission subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the corporation commission to replace the corporation commission's online records and filing system. As part of the department of administration's request for expenditure review pursuant to section 41-714, Arizona Revised Statutes, the department shall also submit a report for review of the agency's plan to support the business one-stop project through its completion, including plans for how the new system will integrate with the business one-stop solution.

E. The sum of \$494,500 is appropriated from the department of public safety subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of public safety to replace the concealed weapons tracking system.

F. The sum of \$19,369,400 is appropriated from the department of revenue subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of revenue to implement the integrated tax system modernization project. The monies appropriated in this subsection shall be spent for an integrated tax system modernization project that meets the following minimum specifications:

1 1. Captures data fields from electronically filed individual and
2 corporate income tax returns and makes the data available for querying and
3 reporting purposes. The system shall provide the department of revenue
4 staff, the joint legislative budget committee staff and governor's office
5 of strategic planning and budgeting staff direct access to the querying
6 and reporting functions. The querying and reporting functions shall
7 include procedures to protect taxpayer confidentiality under applicable
8 state and federal law.

9 2. For electronic corporate income tax returns, captures
10 information regarding the principal business activity of the corporation.
11 This requirement may be satisfied through North American industry
12 classification system data listed on federal tax forms. The tax system
13 shall allow for querying and reporting based on principal business
14 activity.

15 3. Includes an integrated individual income tax model within the
16 project and provides the department of revenue staff, the joint
17 legislative budget committee staff and governor's office of strategic
18 planning and budgeting staff direct access to the individual income tax
19 model. At a minimum, the model shall allow the department of revenue
20 staff, the joint legislative budget committee staff and governor's office
21 of strategic planning and budgeting staff to adjust tax law parameters
22 against an anonymized representative sample of income tax returns to
23 estimate the fiscal impact of proposed tax legislation. The model shall
24 only include data from state and federal tax returns that are captured by
25 the tax system. The individual income tax model shall include procedures
26 to protect taxpayer confidentiality under applicable state and federal
27 law.

28 4. Makes individual and corporate income tax data available for
29 querying, modeling and reporting within twenty-four months following the
30 end of a tax year.

31 Before awarding any procurement contract for the tax system, the
32 department of revenue shall submit a report addressing the project
33 specifications contained in this subsection for review by the joint
34 legislative budget committee.

35 G. As part of the department of administration's request for
36 expenditure review pursuant to section 41-714, Arizona Revised Statutes
37 shall, the department shall also submit a report for review of the
38 agency's plan to support the business one-stop project through its
39 completion, including plans for how the new system will integrate with the
40 business one-stop solution.

41 H. The following amounts are appropriated from the
42 judiciary-supreme court subaccount in the automation projects fund
43 established pursuant to section 41-714, Arizona Revised Statutes, in
44 fiscal year 2023-2024 to the Arizona supreme court for the following
45 automation and information projects:

- 1 1. \$3,270,000 to replace the probation case management system.
- 2 2. \$2,500,000 for a statewide community supervision electronic
- 3 monitoring system.

4 Quarterly Reports

5 I. Within thirty days after the last day of each calendar quarter,
6 the department of administration shall submit to the joint legislative
7 budget committee a quarterly report on implementing projects approved by
8 the information technology authorization committee established by section
9 18-121, Arizona Revised Statutes, including the projects' expenditures to
10 date, deliverables, timeline for completion and current status.

11 Nonlapsing

12 J. The amount appropriated pursuant to this section from the
13 automation projects fund established by section 41-714, Arizona Revised
14 Statutes, in fiscal year 2023-2024 is exempt from the provisions of
15 section 35-190, Arizona Revised Statutes, relating to lapsing of
16 appropriations, until June 30, 2025.

17 K. Notwithstanding Laws 2021, chapter 408, section 117, the
18 following amounts appropriated from the automation projects fund
19 established pursuant to section 41-714, Arizona Revised Statutes, in
20 fiscal year 2021-2022 to the department of administration by Laws 2021,
21 chapter 408, section 117 are exempt from the provisions of section 35-190,
22 Arizona Revised Statutes, relating to lapsing of appropriations, until
23 June 30, 2024:

24 1. \$7,758,900 from the department of administration subaccount in
25 the automation projects fund established pursuant to section 41-714,
26 Arizona Revised Statutes, to develop a business one-stop web portal.

27 2. \$9,000,000 appropriated from the department of economic security
28 subaccount in the automation projects fund established pursuant to section
29 41-714, Arizona Revised Statutes, to update the childcare management
30 system at the department of economic security.

31 3. \$550,000 appropriated from the department of public safety
32 subaccount in the automation projects fund established pursuant to section
33 41-714, Arizona Revised Statutes, to the department of administration to
34 update the concealed weapons tracking system at the department of public
35 safety.

36 Sec. 113. Department of economic security; loans;
37 reimbursement; prohibition; fiscal year 2023-2024

38 On or after April 1, 2024, the department of economic security may
39 use up to \$25,000,000 from the budget stabilization fund established by
40 section 35-144, Arizona Revised Statutes, for the purpose of providing
41 funding for reimbursement grants. Before using the monies from the budget
42 stabilization fund, the department shall notify the director of the joint
43 legislative budget committee and the director of the governor's office of
44 strategic planning and budgeting. This appropriation must be fully
45 reimbursed on or before September 1, 2024 and must be reimbursed in full

1 as part of the closing process for fiscal year 2023-2024. The department
2 shall notify the joint legislative budget committee of the reimbursement
3 on or before September 1, 2024. The appropriation may not be used for
4 additional programmatic expenditures.

5 Sec. 114. Appropriations; state treasurer; local government
6 distributions; fiscal year 2023-2024

7 The following amounts are appropriated from the state general fund
8 in fiscal year 2023-2024 to the state treasurer for the following:

9 1. \$2,500,000 to distribute to county sheriffs for search and
10 rescue-related equipment to enhance the sheriff's search and rescue
11 mission capabilities as follows:

- 12 (a) Cochise county, not more than eighteen percent.
- 13 (b) Coconino county, not more than twenty-one percent.
- 14 (c) Gila county, not more than two and one-half percent.
- 15 (d) Greenlee county, not more than one-half percent.
- 16 (e) Mohave county, not more than twenty-one percent.
- 17 (f) Navajo county, not more than one-half percent.
- 18 (g) Pinal county, not more than twenty-two percent.
- 19 (h) Yavapai county, not more than thirteen and one-half percent.
- 20 (i) Apache, Graham, La Paz, Maricopa, Pima, Santa Cruz and Yuma
21 counties, not more than a total of one percent distributed on a
22 first-come, first-served basis.

23 2. \$9,000,000 to distribute to Mohave county for capital
24 improvements to the following:

- 25 (a) Lake Havasu substation.
- 26 (b) Boating safety center on Lake Havasu.
- 27 (c) Mohave Valley substation.
- 28 (d) Beaver Dam substation.

29 3. \$860,000 to distribute to La Paz county for the following:

- 30 (a) Server replacement.
- 31 (b) Public safety dock and boat lifts.
- 32 (c) Salome substation roof.

33 4. \$500,000 to distribute to the Mohave county sheriff's office for
34 vehicle purchases.

35 5. \$3,000,000 to distribute for police department support as
36 follows:

- 37 (a) \$2,000,000 to the Wickenburg police department.
- 38 (b) \$1,000,000 to the Hayden police department.
- 39 (c) The appropriated amounts may not be used to supplant any
40 existing local funding for police.

41 6. \$750,000 to distribute to the Copper Canyon fire and medical
42 district to offset COVID-related expenses.

43 7. \$3,500,000 to distribute to the Peoria police department for the
44 purchase of a public safety helicopter.

1 8. \$1,500,000 to distribute to the Peoria police department for a
2 mobile command center.

3 9. \$3,400,000 to distribute to Mohave county to design and
4 construct the Mohave wash recharge basin.

5 10. \$3,500,000 to distribute to the city of Prescott and the town
6 of Prescott Valley as follows:

7 (a) \$1,750,000 to the city of Prescott.

8 (b) \$1,750,000 to the town of Prescott Valley.

9 (c) The state treasurer may not distribute the monies appropriated
10 by this paragraph until Yavapai county, the city of Prescott and the town
11 of Prescott Valley jointly demonstrate to the state treasurer that the
12 county, city and town have a commitment for matching monies of gifts,
13 grants and donations in the amount of at least \$3,500,000 for the
14 Glassford Dells regional park from sources other than this state.

15 11. \$27,800,000 to distribute to the city of Gilbert for the
16 rehabilitation and drilling of new water wells.

17 12. \$1,400,000 to distribute to the city of Wickenburg for fire
18 station upgrades.

19 13. \$8,987,000 to distribute to the city of Flagstaff for post-fire
20 mitigation, including detention basin maintenance and operation, and
21 drainage capital improvement projects.

22 14. \$750,000 to distribute to the town of Snowflake for a sewer
23 main lift station replacement.

24 15. \$3,214,500 to distribute to the city of Glendale for a veterans
25 community project.

26 16. \$126,200 to distribute to counties for property owner
27 notification systems as follows:

28 (a) \$10,000 to Apache county.

29 (b) \$10,000 to Cochise county.

30 (c) \$17,000 to Coconino county.

31 (d) \$7,200 to Gila county.

32 (e) \$10,000 to Graham county.

33 (f) \$10,000 to Greenlee county.

34 (g) \$10,000 to La Paz county.

35 (h) \$25,000 to Mohave county.

36 (i) \$10,000 to Navajo county.

37 (j) \$10,000 to Santa Cruz county.

38 (k) \$7,000 to Yuma county.

39 17. \$750,000 to distribute to police departments for a pepper ball
40 pilot program as follows:

41 (a) \$250,000 to the Chandler police department.

42 (b) \$250,000 to the Tucson police department.

43 (c) \$250,000 to the Mesa police department.

1 The pepper ball pilot program is intended to test a nonlethal
2 compliance tool that can be deployed at a distance of greater than twenty
3 feet and that does not cause significant bodily injury.

4 18. \$10,000,000 to distribute to the city of Peoria for new water
5 wells and water infrastructure projects.

6 19. \$850,000 to distribute to the Maricopa association of
7 governments for a Sun City transportation project study.

8 20. \$10,050,000 to distribute to the Maricopa association of
9 governments for the relocation of utilities related to the construction of
10 State Route 30.

11 21. \$500,000 to distribute to the town of Kearny for public
12 building remediation.

13 22. \$810,000 to distribute to the city of Glendale for irrigation
14 system and xeriscaping.

15 23. \$1,000,000 to distribute to the Vernon fire district for
16 equipment and operations.

17 24. \$20,000,000 to distribute to Navajo county to reconstruct the
18 Little Colorado River levee at the city of Winslow.

19 25. \$2,000,000 to distribute to the Chandler police department for
20 new technology, building out services and officer wellness.

21 Sec. 115. Appropriations; state treasurer; firearm training
22 simulators; fiscal year 2023-2024

23 A. The sum of \$1,368,000 is appropriated from the peace officer
24 training equipment fund established by section 41-1731, Arizona Revised
25 Statutes, in fiscal year 2023-2024 to the state treasurer for firearm
26 training simulators.

27 B. The state treasurer shall distribute the monies appropriated in
28 subsection A of this section in the following amounts to the following
29 recipients:

- 30 1. \$300,000 to the Flagstaff police department.
- 31 2. \$300,000 to the Mohave county probation department.
- 32 3. \$138,000 to the Casa Grande police department
- 33 4. \$330,000 to the Maricopa county sheriff's office.
- 34 5. \$300,000 to the Navajo county sheriff's office.

35 Sec. 116. Appropriations; state treasurer; nonprofit
36 organizations; fiscal year 2023-2024

37 The following amounts are appropriated from the state general fund
38 in fiscal year 2023-2024 to the state treasurer for the following:

- 39 1. \$10,000,000 to distribute to a nonprofit organization that is
40 designated as an international dark sky discovery center and that is
41 focused on dark sky preservation in this state.
- 42 2. \$15,300,000 to distribute to a nonprofit volunteer organization
43 that operates a rodeo at the Yavapai county fairgrounds.

3. \$5,600,000 to distribute to a nonprofit organization that operates an astronomy center and observatory that is open to the public in northern Arizona.

Sec. 117. Phoenix convention center; allocation; fiscal year 2023-2024

Pursuant to section 9-602, Arizona Revised Statutes, \$25,498,600 of state general fund revenue is allocated in fiscal year 2023-2024 to the Arizona convention center development fund established by section 9-601, Arizona Revised Statutes.

Sec. 118. Rio Nuevo multipurpose facility district; estimated distribution; fiscal year 2023-2024

Pursuant to section 42-5031, Arizona Revised Statutes, a portion of the state transaction privilege tax revenues will be distributed to a multipurpose facility district. The Rio Nuevo multipurpose facility district is estimated to receive \$16,000,000 in fiscal year 2023-2024. The actual amount of the distribution will be made pursuant to section 42-5031, Arizona Revised Statutes.

Fund Balance Transfers

Sec. 119. Appropriations; fund balance transfers; automation projects fund; fiscal year 2023-2024

A. The sum of \$20,647,800 is appropriated from all other state fund sources in fiscal year 2023-2024 for deposit in the human resources information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, for the replacement of the human resources information system. The department of administration shall allocate to each agency or department an amount for the human resources information system replacement in the same manner as allocated in Laws 2022, chapter 313, section 123 based on each state fund's proportional share of payments to the personnel division fund established pursuant to section 41-750, Arizona Revised Statutes.

B. The sum of \$15,000,000 is transferred from the state general fund in fiscal year 2023-2024 for deposit in the health and human services information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, for statewide health and human services information technology projects.

C. The sum of \$2,000,000 is transferred from the state general fund in fiscal year 2023-2024 for deposit in the department of administration subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, for the K-12 school financial transparency reporting portal.

D. The sum of \$7,000,000 is transferred from the securities regulatory and enforcement fund established by section 44-2039, Arizona Revised Statutes, in fiscal year 2023-2024 for deposit in the corporation commission subaccount in the automation projects fund established pursuant

1 to section 41-714, Arizona Revised Statutes, to replace the department's
2 online records and filing system.

3 E. The sum of \$494,500 is transferred from the concealed weapons
4 permit fund established by section 41-1722, Arizona Revised Statutes, in
5 fiscal year 2023-2024 for deposit in the department of public safety
6 subaccount in the automation projects fund established pursuant to section
7 41-714, Arizona Revised Statutes, to replace the concealed weapons
8 tracking system.

9 F. The following amounts are transferred from the following funds
10 in fiscal year 2023-2024 for deposit in the department of revenue
11 subaccount in the automation projects fund established pursuant to section
12 41-714, Arizona Revised Statutes, to implement the integrated tax system
13 modernization project:

14 1. \$11,794,100 from the state general fund.

15 2. \$7,575,300 from the department of revenue integrated tax system
16 project fund established by section 42-5041, Arizona Revised Statutes.

17 G. The sum of \$3,270,000 is transferred from the state general fund
18 in fiscal year 2023-2024 for deposit in the judiciary-supreme court
19 subaccount in the automation projects fund established pursuant to section
20 41-714, Arizona Revised Statutes, to replace the probation case management
21 system.

22 H. The sum of \$2,500,000 is transferred from the state general fund
23 in fiscal year 2023-2024 for deposit in the judiciary-supreme court
24 subaccount in the automation projects fund established pursuant to section
25 41-714, Arizona Revised Statutes, a statewide community supervision
26 electronic monitoring system.

27 I. The transfers into the automation projects fund established by
28 section 41-714, Arizona Revised Statutes, as outlined in this section are
29 not appropriations out of the automation project fund. Only direct
30 appropriations out of the automation projects fund are appropriations.

31 Payment Deferrals

32 Sec. 120. Reduction in school district state aid
33 apportionment in fiscal year 2023-2024;
34 appropriation in fiscal year 2024-2025

35 A. In addition to any other appropriation reductions made in fiscal
36 year 2023-2024, the department of education shall defer until after June
37 30, 2024 but not later than July 12, 2024 \$800,727,700 of the basic state
38 aid and additional state aid entitlement that otherwise would be
39 apportioned to school districts during fiscal year 2023-2024 pursuant to
40 section 15-973, Arizona Revised Statutes. The funding deferral required
41 by this subsection does not apply to charter schools or to school
42 districts with a student count of less than four thousand pupils. The
43 department of education shall make the deferral by reducing the
44 apportionment of state aid for each month in the fiscal year by the same
45 amount.

B. In addition to any other appropriations made in fiscal year 2024-2025, the sum of \$800,727,700 is appropriated from the state general fund in fiscal year 2024-2025 to the department of education and the superintendent of public instruction for basic state aid and additional state aid entitlement for fiscal year 2024-2025. This appropriation shall be disbursed after June 30, 2024 but not later than July 12, 2024 to the several counties for the school districts in each county in amounts equal to the reductions in apportionment of basic state aid and additional state aid that are required pursuant to subsection A of this section for fiscal year 2023-2024.

C. School districts shall include in the revenue estimates they use for computing their tax rates for fiscal year 2023-2024 the monies they will receive pursuant to subsection B of this section.

Statewide Adjustments

Sec. 121. Appropriations; operating adjustments

2023-24

1.	Employer health insurance contribution reduction	\$ (95,469,000)
	Fund sources:	
	State general fund	\$ (63,244,800)
	Other funds	(32,224,200)
2.	University health insurance backfill removal	\$ (40,033,000)
	Fund sources:	
	State general fund	\$ (40,033,000)
3.	Employer health insurance contribution increase	\$ 103,000,000
	Fund sources:	
	State general fund	\$ 73,000,000
	Other funds	30,000,000
4.	Agency rent adjustment	\$ (458,100)
	Fund sources:	
	State general fund	\$ (558,100)
	Other funds	100,000
5.	Agency risk management adjustments	\$ (54,200)
	Fund sources:	
	State general fund	\$ (154,200)
	Other funds	100,000
6.	Arizona financial information system adjustments	\$ 316,700
	Fund sources:	
	State general fund	\$ 116,700
	Other funds	200,000

1	7. Agency retirement adjustment	\$ (21,640,400)
2	Fund sources:	
3	State general fund	\$ 359,600
4	Other funds	(22,000,000)
5	8. Salary increase adjustments	\$ 10,517,000
6	Fund sources:	
7	State general fund	\$ 7,517,000
8	Other funds	3,000,000
9	9. State fleet rate adjustments	\$ 14,195,100
10	Fund sources:	
11	State general fund	\$ 8,195,100
12	Other funds	6,000,000

13 Employer health insurance contribution reduction

14 The amount appropriated is for a onetime employer contribution rate
 15 reduction for employee health insurance in fiscal year 2023-2024. The
 16 joint legislative budget committee staff, in consultation with the
 17 governor's office of strategic planning and budgeting staff, shall
 18 determine and the department of administration shall allocate to each
 19 agency or department an amount for the health insurance contribution
 20 adjustment. The joint legislative budget committee staff shall also
 21 determine and the department of administration shall allocate adjustments,
 22 as necessary, in expenditure authority to implement the reduction in
 23 employer health insurance contribution rates. The joint legislative
 24 budget committee staff shall use the overall allocation of state general
 25 fund and appropriated tuition monies for each university in determining
 26 that university's specific adjustment.

27 University health insurance backfill removal

28 The amount appropriated is for the removal of a onetime university
 29 health insurance backfill to backfill university tuition for employer
 30 health insurance in fiscal year 2023-2024. The joint legislative budget
 31 committee staff, in consultation with the governor's office of strategic
 32 planning and budgeting staff, shall determine and the department of
 33 administration shall allocate to each university an amount for the health
 34 insurance contribution adjustment.

35 Employer health insurance contribution increase

36 The amount appropriated is for a onetime employer contribution rate
 37 increase for employee health insurance in fiscal year 2023-2024. The
 38 joint legislative budget committee staff, in consultation with the
 39 governor's office of strategic planning and budgeting staff, shall
 40 determine and the department of administration shall allocate to each
 41 agency or department an amount for the health insurance contribution
 42 adjustment. The joint legislative budget committee staff shall also
 43 determine and the department of administration shall allocate adjustments,
 44 as necessary, in expenditure authority to implement the increase in
 45 employer health insurance contribution rates.

Agency rent adjustments

The amount appropriated is for agency rent adjustments for agencies relocating to and within state-owned and lease-purchase buildings in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the rent adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of the agency rent adjustments.

Agency risk management adjustments

The amount appropriated is for agency risk management premium adjustments in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the risk management adjustments. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of the risk management adjustments.

Arizona financial information system adjustments

The amount appropriated is for upgrades to the Arizona financial information system in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the Arizona financial information system collection charge. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow for the payment of Arizona financial information system charges.

Agency retirement adjustments

The amount appropriated is for retirement adjustments in fiscal year 2023-2024. The amount appropriated from the state general fund excludes retirement adjustments for the state department of corrections, department of juvenile corrections and department of public safety. The amount appropriated from other funds includes adjustments for all state agencies. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the agency retirement adjustments. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in

expenditure authority to allow implementation of the agency retirement adjustments.

Salary increase adjustments

The amount appropriated is for agency budget corrections in fiscal year 2023-2024 relating to the salary increases implemented during fiscal year 2022-2023. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for salary increase adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority for salary increase adjustments.

State fleet rate adjustments

The amount appropriated is for a onetime state fleet rate adjustment in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the state fleet rate adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority for the state fleet rate adjustment.

Sec. 122. Department of law; general agency counsel charges; fiscal year 2023-2024

Pursuant to section 41-191.09, Arizona Revised Statutes, the following state agencies and departments are charged the following amounts in fiscal year 2023-2024 for general agency counsel provided by the department of law:

1. Department of administration	\$127,700
2. Office of administrative hearings	\$ 3,000
3. Arizona arts commission	\$ 3,100
4. Citizens clean elections commission	\$ 2,700
5. State department of corrections	\$ 2,000
6. Arizona criminal justice commission	\$ 8,700
7. Arizona state schools for the deaf and the blind	\$100,200
8. Commission for the deaf and the hard of hearing	\$ 4,100
9. Arizona early childhood development and health board	\$ 47,100
10. Department of education	\$132,000
11. Department of emergency and military affairs	\$ 30,000
12. Department of environmental quality	\$135,600
13. Arizona exposition and state fair board	\$ 20,900

1	14.	Arizona department of forestry and fire	
2		management	\$ 13,400
3	15.	Department of gaming	\$ 37,300
4	16.	Department of health services	\$173,800
5	17.	Arizona historical society	\$ 700
6	18.	Arizona department of housing	\$ 19,300
7	19.	Department of insurance and financial	
8		institutions	\$ 13,800
9	20.	Department of juvenile corrections	\$ 9,400
10	21.	State land department	\$ 2,100
11	22.	Department of liquor licenses and control	\$ 11,400
12	23.	Arizona state lottery commission	\$ 24,800
13	24.	Arizona state parks board	\$ 45,800
14	25.	State personnel board	\$ 600
15	26.	Arizona pioneers' home	\$ 12,100
16	27.	Department of public safety	\$677,400
17	28.	Arizona board of regents	\$ 1,800
18	29.	Arizona state retirement system	\$ 69,100
19	30.	Department of revenue	\$ 4,900
20	31.	Department of state – secretary of state	\$ 1,800
21	32.	State treasurer	\$ 9,200
22	33.	Department of veterans' services	\$ 52,700

Fiscal Year 2024-2025 Appropriations

24 Sec. 123. Appropriation; new school facilities fund; use;
 25 fiscal year 2024-2025

26 The sum of \$77,898,600 is appropriated from the state general fund
 27 in fiscal year 2024-2025 for a onetime deposit in the new school
 28 facilities fund established by section 41-5741, Arizona Revised Statutes.
 29 The division of school facilities within the department of administration
 30 shall use the monies only for facilities that will be constructed for
 31 school districts that received final approval from the division of school
 32 facilities within the department of administration on or before
 33 December 15, 2022.

Reporting Requirements and Definitions

35 Sec. 124. COVID-related expenditures; reporting requirements;
 36 intent

37 A. Within forty-five days after the last day of each calendar
 38 quarter through June 30, 2026, the office of the governor shall report to
 39 the president of the senate, the speaker of the house of representatives,
 40 the chairpersons of the senate and house of representatives appropriations
 41 committees and the director of the joint legislative budget committee the
 42 total planned allocations and actual expenditures from the coronavirus
 43 state fiscal recovery fund and the coronavirus capital projects fund as
 44 appropriated by section 9901 of the American rescue plan act of 2021
 45 (P.L. 117-2).

1 B. Within forty-five days after the last day of each calendar
2 quarter through June 30, 2026, the superintendent of public instruction
3 shall report to the president of the senate, the speaker of the house of
4 representatives, the chairpersons of the senate and house of
5 representatives appropriations committees and the director of the joint
6 legislative budget committee the total planned allocations and actual
7 expenditures of monies allocated to the superintendent of public
8 instruction from the elementary and secondary school emergency relief fund
9 as appropriated by section 2001 of the American rescue plan act of 2021
10 (P.L. 117-2).

11 C. Within forty-five days after the last day of each calendar
12 quarter through June 30, 2026, the Arizona board of regents shall report
13 to the president of the senate, the speaker of the house of
14 representatives, the chairpersons of the senate and house of
15 representatives appropriations committees and the director of the joint
16 legislative budget committee the total planned allocations and actual
17 expenditures of monies from the higher education emergency relief fund as
18 appropriated by section 2003 of the American rescue plan act of 2021
19 (P.L. 117-2) by Arizona state university, the university of Arizona and
20 northern Arizona university.

21 D. Within forty-five days after the last day of each calendar
22 quarter through June 30, 2026, each community college district shall
23 report to the president of the senate, the speaker of the house of
24 representatives, the chairpersons of the senate and house of
25 representatives appropriations committees and the director of the joint
26 legislative budget committee the total planned allocations and actual
27 expenditures of monies from the higher education emergency relief fund as
28 appropriated by section 2003 of the American rescue plan act of 2021
29 (P.L. 117-2).

30 E. Reports required pursuant to this section shall delineate
31 expenditures by agency and program and include descriptions of the purpose
32 of the expenditures.

33 F. The legislature intends that the executive branch of state
34 government report on its planned and actual use of any major additional
35 federal aid to this state through federal legislation enacted by the end
36 of fiscal year 2023-2024. The timing and frequency of these reports
37 should be the same as required by subsections A through D of this section.
38 The chairperson and vice chairperson of the joint legislative budget
39 committee may provide recommendations to the executive branch concerning
40 federal legislation that would qualify under this subsection.

41 Sec. 125. Legislative intent; expenditure reporting

42 The legislature intends that all departments, agencies and budget
43 units receiving appropriations under the terms of this act continue to
44 report actual, estimated and requested expenditures by budget programs and
45 budget classes in a format that is similar to the budget programs and

1 budget classes used for budgetary purposes in prior years. A different
2 format may be used if deemed necessary to implement section 35-113,
3 Arizona Revised Statutes, agreed to by the director of the joint
4 legislative budget committee and incorporated into the budget preparation
5 instructions adopted by the governor's office of strategic planning and
6 budgeting pursuant to section 35-112, Arizona Revised Statutes.

7 Sec. 126. FTE positions; reporting; definition

8 Full-time equivalent (FTE) positions contained in this act are
9 subject to appropriation. The director of the department of
10 administration shall account for the use of all appropriated and
11 nonappropriated FTE positions, excluding those in the universities. The
12 director of the department of administration shall submit the fiscal year
13 2023-2024 report on or before October 1, 2024 to the director of the joint
14 legislative budget committee. The report shall compare the level of
15 appropriated FTE usage in each fiscal year to the appropriated level. For
16 the purposes of this section, "FTE positions" means the total number of
17 hours worked, including both regular and overtime hours as well as hours
18 taken as leave, divided by the number of hours in a work year. The
19 director of the department of administration shall notify the director of
20 a budget unit if the budget unit's appropriated FTE usage has exceeded its
21 number of appropriated FTE positions. Each university shall report to the
22 director of the joint legislative budget committee in a manner comparable
23 to the department of administration reporting.

24 Sec. 127. Filled FTE positions; reporting

25 On or before October 1, 2023, each agency, including the judiciary
26 and universities, shall submit a report to the director of the joint
27 legislative budget committee on the number of filled appropriated and
28 nonappropriated FTE positions, by fund source, as of September 1, 2023.

29 Sec. 128. Transfer of spending authority

30 The department of administration shall report monthly to the
31 director of the joint legislative budget committee any transfers of
32 spending authority made pursuant to section 35-173, subsection C, Arizona
33 Revised Statutes, during the prior month.

34 Sec. 129. Interim reporting requirements

35 A. State general fund revenue for fiscal year 2022-2023, including
36 a beginning balance of \$4,709,446,000 and other onetime revenues, is
37 forecasted to be \$18,122,600,000.

38 B. State general fund revenue for fiscal year 2023-2024, including
39 onetime revenues, is forecasted to be \$17,827,000,000.

40 C. State general fund revenue for fiscal year 2024-2025, including
41 onetime revenues, is forecasted to be \$16,279,800,000. State general fund
42 expenditures for fiscal year 2024-2025 are forecasted to be
43 \$16,161,700,000.

1 D. State general fund revenue for fiscal year 2025-2026, including
2 onetime revenues, is forecasted to be \$17,351,300,000. State general fund
3 expenditures for fiscal year 2025-2026 are forecasted to be
4 \$16,565,200,000.

5 E. On or before September 15, 2023, the executive branch shall
6 provide to the joint legislative budget committee a preliminary estimate
7 of the fiscal year 2022-2023 state general fund ending balance. The
8 estimate shall include projections of total revenues, total expenditures
9 and an ending balance. The department of administration shall continue to
10 provide the final report for the fiscal year in its annual financial
11 report pursuant to section 35-131, Arizona Revised Statutes.

12 F. Based on the information provided by the executive branch, the
13 staff of the joint legislative budget committee shall report to the joint
14 legislative budget committee on or before October 15, 2023 whether the
15 fiscal year 2023-2024 revenues and ending balance are expected to change
16 by more than \$50,000,000 from the budgeted projections. The joint
17 legislative budget committee staff may make technical adjustments to the
18 revenue and expenditure estimates in this section to reflect other bills
19 enacted into law. The executive branch may also provide its own estimates
20 to the joint legislative budget committee on or before October 15, 2023.

21 Sec. 130. Definition

22 For the purposes of this act, "*" means this appropriation is a
23 continuing appropriation and is exempt from the provisions of section
24 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

25 Sec. 131. Definition

26 For the purposes of this act, "expenditure authority" means that the
27 fund sources are continuously appropriated monies that are included in the
28 individual line items of appropriations.

29 Sec. 132. Definition

30 For the purposes of this act, "review by the joint legislative
31 budget committee" means a review by a vote of a majority of a quorum of
32 the members of the joint legislative budget committee.